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Australia: 215... 180... 140...
Bahamas: 800... 180... 140...
Bangkok: 50... 180... 140...
Beijing: 50... 180... 140...
Buenos Aires: 50... 180... 140...
Cairo: 50... 180... 140...
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Singapore: 50... 180... 140...
Tehran: 50... 180... 140...
Tokyo: 50... 180... 140...
Washington: 50... 180... 140...
Zurich: 50... 180... 140...

ESTABLISHED 1887

3 Activists Escape To U.S. Consulate In Johannesburg

By John D. Battersby
New York Times Service

JOHANNESBURG — Three anti-apartheid leaders who were being held under emergency detention laws took refuge in the U.S. Consulate in Johannesburg on Tuesday after escaping from a hospital where they were undergoing physiotherapy.

The U.S. Embassy in Pretoria said Tuesday night that although it was not U.S. policy to offer asylum in its consular and diplomatic premises, it had been decided to allow the three to enter.

"We will not pressure them to leave against their will," the embassy said in a statement.

The U.S. ambassador, Edward J. Perkins, took personal charge of the incident and was in touch with both the State Department and the Pretoria government.

But by late Tuesday night, Mr. Perkins had not acceded to a request by the three to visit them at the consulate to listen to their demands. But the ambassador traveled 50 miles (50 kilometers) from the U.S. Embassy in Pretoria to a neighborhood of Johannesburg to meet anti-apartheid leaders representing the three.

The three men who took refuge in the consulate were: Murphy Morobe, acting publicity secretary of the United Democratic Front, a resuscitated anti-apartheid umbrella organization; Mohammed Valli Moosa, the acting national general secretary of the front; and Visumuzi Philip Khanyile, chairman of the National Education Crisis Committee, an organization that tried to mediate between parents and pupils to end a nationwide black school boycott in 1986.

Mr. Morobe and Mr. Moosa were detained in the eastern coastal town of Port Elizabeth in July 1987 after operating underground since the declaration of a nationwide emergency in June 1986.

Mr. Khanyile was detained in late 1986 along with most other members of the crisis committee, including Zwelakhe Sison, editor of the anti-apartheid newspaper New Nation, who is still in detention.

The U.S. Embassy said its officials had been "in frequent contact" with the three men before their detention without charges. "We hold them in high regard," the embassy said.

The statement said discussions were under way between the three anti-apartheid leaders and consular staff "to determine their wishes."

Brigadier Leon Mellet, spokesman for the Law and Order Ministry, said the three detainees had been granted refuge in the consulate after escaping from the Johannesburg Hospital, which is about two kilometers (one mile) away.

He said the South African police were investigating their escape.

Krish Naidoo, a lawyer who represents all three men, said in an interview that his clients had formulated demands that they would present in due course. He said he was not aware of the content of the demands.

Mr. Naidoo was summoned to police headquarters on Tuesday night and was asked to explain how he knew about the men's escape.

Mr. Morobe, Mr. Khanyile and Mr. Moosa are among more than 25,000 people who have been detained without charges since a nationwide state of emergency was declared in June 1986.

Mr. Naidoo said in an interview that he had been told by a consular official on Tuesday morning that his clients had taken refuge in the consulate premises on the 11th floor of a building in central Johannesburg.



Yasser Arafat arriving in Strasbourg on Tuesday for a visit to the European Parliament.

Arafat Says PLO Studies Initiatives

By Edward Cody
Washington Post Service

STRASBOURG, France — Yasser Arafat, chairman of the Palestine Liberation Organization, said Tuesday night that King Hussein's renunciation of Jordanian claims to the West Bank had brought the search for Middle East peace to a "crucial stage" that called for new initiatives from the PLO leadership.

Mr. Arafat, addressing Socialist deputies to the European Parliament during his first visit to France, repeated the PLO call for an international peace conference, including Israel and the PLO, "based on UN Resolution 242," accompanied by recognition of "the legitimate rights of the Palestinian people."

He expressed willingness to recognize Israel and accept UN guarantees for its security, provided that Israel also would recognize a parallel Palestinian right to a state.

In Paris, the Foreign Ministry said earlier that Foreign Minister Roland Dumas had decided to meet Mr. Arafat on Wednesday despite protests from French Jews. Reuters reported. It will be the second time Mr. Arafat has met Mr. Dumas.

French Socialist meeting in the southeastern city of Vienna appeared split by Mr. Arafat's decision to meet Mr. Arafat. Defense Minister Jean-Pierre Chevènement said, "The debate is so passionate that it's better that we don't talk about it."

In Strasbourg, protesters marched from a city synagogue to the Parliament building holding placards denouncing the PLO as a terrorist group, with slogans such as "Arafat Assassin." Organizers said 3,000 people participated; the police put the number at 1,400.

Mr. Arafat's remarks, in a prepared statement, constituted a particularly conciliatory and explicit compendium of the PLO's recent peace-making gestures. The 45-minute speech also marked the first time Mr. Arafat has personally taken responsibility for all these gestures before a prominent international audience in a clear written form.

At the same time, Mr. Arafat withheld any dramatic new peace offer, saying the PLO leadership was still working out its positions in internal discussions. An aide to Mr. Arafat said that laying out the PLO's new peace initiatives explicitly was impossible until they had been agreed on by the top leadership and approved by the 450-member Palestine National Council, which the group describes as its parliament-in-exile.

Senior PLO officials have said Mr. Arafat and his top lieutenants are debating proposals to make a declaration of Palestinian independence for the West Bank and Gaza and to establish a government-in-exile as a way to enhance chances for peace negotiations with Israel.

Although these proposals have prompted the most far-reaching debate in the organization's history, deep disagreement remains among the leadership of various factions, with radicals rejecting any gesture that would imply recognition of Israel before an international peace conference.

Against that background, Mr. Arafat gave indications of where he is steering the PLO debate, but without coming down clearly with an explanation of what the organization will finally propose.

UN to Get A Part of U.S. Dues

Reagan Releases Funds and Seeks Debt Settlement

The Associated Press

WASHINGTON — President Ronald Reagan has authorized the immediate release of \$188 million in U.S. dues payments to the United Nations and has directed the State Department to work on a plan for settling all past dues, the White House announced Tuesday.

The presidential spokesman, Martin Fitzwater, told reporters in a late-afternoon briefing that Mr. Reagan instructed the State Department to work out "a multilateral plan" for paying a total of \$520 million in current and past-due U.S. payments to the UN.

Mr. Fitzwater said the United Nations "has reformed its operations to the point" where Mr. Reagan felt he could release the \$44 million withheld during fiscal 1988 and another \$144 million withheld during fiscal 1989, which starts Oct. 1.

The spokesman noted that Congress required the president to determine that the United Nations had made reforms, "including cutbacks in the secretariat, the hiring of temporary employees" and improved budgeting procedures.

Mr. Fitzwater said Mr. Reagan was convinced that the UN had made progress in instituting reforms and that the president noted the increasing peacekeeping role of the world body in such hot spots as Afghanistan, South-West Africa (Namibia) and the Gulf.

The United Nations, he said, is "serving important long-term interests" of the United States in these troubled regions.

Mr. Fitzwater said Mr. Reagan's decision to release a portion of the dues owed the UN immediately "makes clear that the United States is ready to meet its obligations."

The United States' regular UN dues assessment amounts to a quarter of the money in the organization's budget. And the United States also is assessed 31 percent of the peacekeeping costs.

"We have seen in the last six months some important reforms in terms of the budget and hiring practices, and so forth, and so that has been a determining factor," Mr. Fitzwater said. He also credited the United Nations with being "an important factor" in getting Soviet troops to withdraw from Afghanistan, and he said there had been an improvement in the political environment in the world body where American interests were concerned.

Mr. Reagan is scheduled to visit the United Nations for two days later this month, and will address the opening session of the General Assembly on Sept. 27. He also will meet with a number of foreign leaders while in New York.

"During the seven and a half years of this administration, the president has sought to change the political environment," Mr. Fitzwater said.

"Although the reform is incomplete, the progress is striking," he said, saying the United States had been demanding more accountability from the United Nations for the money it spends.

The aim, he said, was to "prod the United Nations to become an even greater force for peace throughout the world."

Kiosk

U.S. Urges UN To Study Iraq

WASHINGTON (AP) — Secretary of State George P. Shultz said Tuesday that the United States had "compelling" evidence that Iraq has used chemical weapons against its Kurdish citizens.

He said, however, that the United Nations should conduct its own investigation before being asked to condemn Iraq.

The UN secretary-general, Javier Pérez de Cuellar, asked Iraq on Tuesday to allow chemical weapons experts to investigate the claims. (Earlier article, Page 5)

Liberal Reforms Come Tenuously to Indonesia

By Michael Richardson
International Herald Tribune

JAKARTA — After more than two decades of authoritarian rule, President Suharto has started a process of cautious political liberalization in Indonesia that follows recent reforms to reduce state intervention in the economy, Western diplomats and Indonesian analysts say.

But they are not sure whether the

pace of these economic and political changes in the world's fifth-most populous nation will be fast enough to meet rising expectations of young Indonesians, especially in Jakarta and other major cities.

Nor is it yet clear how much support there is for the changes from the armed forces, which play a key role in government.

Analysts also caution that if future shortages of food or jobs were

to lead to serious anti-government unrest, the political reforms would probably be reversed.

Nonetheless, a wide range of sources here say there has been a significant easing of press controls this year and greater assertiveness by parliament in questioning executive acts.

The most recent sign of liberalization came last week, when Mr. Suharto abolished Indonesia's internal security agency, known as the Komando for the Restoration of Security and Order.

The agency was headed by the defense minister, General Benny Murdani.

Political analysts said the removal of the military's sweeping powers to investigate subversion and detain suspects without trial would reduce its authority to intervene in civilian affairs.

A new agency has been set up with power only to advise Mr. Suharto, who, as president, is also supreme commander of the armed forces.

"There is more pluralism and diversity in the power base now," said Marzuki Darusman, a member of parliament for the ruling Golkar party.

A retired armed forces commander, General T.B. Simatupang, said there was a need "to free up the political system" to make the government more accountable and to promote respect for human rights, social justice and democracy.

But he added, "The question now is how do we do it and how fast do we go?"

Mr. Simatupang said that while criticism was becoming more acceptable, there was still a deeply held conviction that power should not be divided because it was seen as part of a wider national and cosmic harmony. Compromise and consensus have been a traditional part of decision-making at all levels of Indonesian society.

"Our experience," Mr. Simatupang said, in reference to bitter dissension that followed attempts to introduce Western-style democracy in Indonesia in the 1950s, "is See INDONESIA, Page 6

U Aung Gyi and two other Burmese opposition leaders rejected the government's election plans.



U Aung Gyi and two other Burmese opposition leaders rejected the government's election plans. Page 2.

South Korea and Hungary said they would exchange permanent missions.

Page 2.

Business / Finance

The U.S. deficit in the broadest measure of trade narrowed sharply from April through June. Page 13.

A group of personal-computer makers launched a challenge to IBM over its PS/2. Page 13.

Technology Quarterly
A new breed of space entrepreneur is using the free enterprise system to develop technology. Pages 7-10.

Down Close

The Dollar in New York
DM 1.8538
FF 1.985
Yen 133.376
FF 6.3075

Allies Near Agreement On Arms-Control Talks

By Joseph Fitchett
International Herald Tribune

PARIS — Western governments are close to final agreement on an allied approach to arms-control talks about conventional forces in Europe, and new East-West disarmament negotiations could start in Vienna by the end of the year, U.S. and European officials said Tuesday.

Diplomatic maneuvering, however, has stepped up among allied governments on a few outstanding issues that could influence the overall package, these officials said. And the Soviet Union "will not say its last word in its bid to snare some U.S. nuclear arms in the talks," a U.S. official said.

Western governments have informally agreed on an opening proposal, the officials said, adding that it would call for deep cuts in Warsaw Pact tanks, artillery and armored personnel carriers — the weapons that could be used for major attacks and occupations.

But disagreements remain among allies. Norway, for example, has mounted a last-minute campaign against a French-sponsored plan to divide Western Europe into three negotiating zones: a central zone covering the main allied nations and central Warsaw Pact territory from Ireland to a point deep in the Soviet Union, a southern zone and a northern zone.

"In effect, the plan leaves Norway almost alone on the northern flank to be put in the balance against the heavily militarized northern Soviet Union," said Johan Holst, the Norwegian minister of defense. Mr. Holst was visiting Paris, where he tried, apparently with little success, to shift the French position.

Mr. Holst contended that the creation of zones for arms-control purposes risked undermining efforts in recent years to bind together the flanks and the center of the North Atlantic Treaty Organization.

As a compromise, Mr. Holst proposed that the troops and weapons in each zone be counted separately, but then added together to obtain an overall balance.

The Reagan administration initially resisted the zoning idea, seeking instead to propose that NATO and the Warsaw Pact seek equal ceilings in troops and weapons in a single vast area "from the Atlantic to the Ural." U.S. officials contended that this approach would be simpler and easier to defend before public opinion.

But France obtained the backing of major European governments in the central zone for its approach, and U.S. negotiators were out-weighted, diplomats said.

See ARMS, Page 6



HOSTAGE NO LONGER — Rudolf Cordes, a West German who was held for almost 20 months, leaving the Foreign Ministry in Damascus on Tuesday with his wife, Mariene. Page 2.

In Midst of Chile's Political Spring, Voters Still Feel a Chill

By Eugene Robinson
Washington Post Service

SAN FERNANDO, Chile — As Chile lives through this political spring, with ideas and expression flowing in a way not seen for 15 years, a stubborn reminder of the long winter remains: fear. The issue in Chile is not just what you believe in, but what, or whom, you fear.

With less than a month remaining before the Oct. 5 plebiscite, in which President Augusto Pinochet alone will run as the "yes" candidate for president, both the "yes" and "no" campaigns are seeking to manage the issue of fear, recognizing that it could be the most important of all.

"Our whole effort is basically a fight against fear," said Genaro Arrigada, executive secretary of the "no" campaign.

"It's a vicious circle—since Pinochet has been in power for 15 years, people get the idea that he's invincible. They figure, 'Why should I run this risk?'"

If the majority of the 7.2 million registered voters cast "yes" ballots for General Pinochet, he will start a new term March 11. If he is rejected, an open election will take place within a year, with the general to remain in power until then.

After so many years of living in a society where political expression was controlled, some Chileans are afraid to speak out. Some are afraid that the government will punish them if they vote "no," that the secret ballot somehow will not be secret.

Others have a different fear: that if General Pinochet loses, Chile will revert to what they see as the chaos of the Allende years, losing many of the economic gains that some sectors have achieved.

This whole gamut of apprehension could be seen in San Fernando, a city of 44,000 about 145 kilometers (90 miles) south of Santiago, in a fertile valley where farmers grow apples, potatoes, corn, tobacco, wheat and other crops. It is a low, flat, dusty town, full of feed stores and pickup trucks.

Ramón Arias stood by the side of the highway, friends keeping him company as he painted the owner's name on a tractor. Mr. Arias said that he will vote "no."

Before General Pinochet came to power, he said, things were better.

"At least there was work," he said.

But in the past few years, he said, "a cigarette factory, a rice-processing plant and other businesses in the area have closed."

Seasonal work is available, Mr. Arias said, picking apples and the like, but at the equivalent of \$3 or \$4 a day. "And that has to last you for the whole year," he added.

Mr. Arias said that when the "no" campaign recently staged a rally in San Fernando, suspicious-looking men had lurked about, taking pictures. He said he believed they were government agents.

A truck driver who would not give his name chimed in with the opinion that things were changing.

"Before," he said, "people were scared to have opinions and say what they thought. But now, no."

Not far away is the small house where Jorge Contreras lives with his wife and three children, in a corner of a small plot he farms with his four brothers. He makes most of his money selling bread door-to-door. He said that most of his customers favored "no." The reason is that they are getting poorer, he said, able to buy less of his bread.

But he added, speaking of the polls: "Many will arrive and vote yes, out of fear. Because they believe the vote will not be secret." He said people believe they could lose their jobs, their pensions, if they vote the way they want.

San Fernando is the kind of rural community that General Pinochet must carry if he is to win the new, eight-year term he

See CHILE, Page 6

2 Days of Complaints

Angry Siberians Berate Gorbachev For Poor Housing and Scarce Food

The Associated Press

MOSCOW — For the second day in a row, Mikhail S. Gorbachev faced complaints from angry Siberians about food shortages and poor housing and medical care.

On Tuesday, the Soviet leader told workers at the Khimvolokno synthetic-fiber factory in Krasnoyarsk that the Politburo was turning special attention to a shortage of kindergartens.

Tass, the Soviet news agency, quoted a worker as retorting: "We have kindergartens! We don't have housing, and the medical facilities are bad!"

Mr. Gorbachev had heard similar complaints Monday when he stopped in the village of Yemelyanovo on his way to Krasnoyarsk. One man shouted at Mr. Gorbachev: "We have no hot water. You do what you can to wash."

Later Tuesday, Mr. Gorbachev criticized local officials for mismanagement. "I felt that it's already impossible to talk to the people," Mr. Gorbachev said in a meeting with local officials in Krasnoyarsk, about 2,000 miles (3,300 kilometers) east of Moscow. "Wherever I was, on the street in a factory, or here, the people are simply at your throat. And I think they're right."

Usually, Soviet citizens politely praise Mr. Gorbachev and his policies or ask mild questions as he tours the country, but the discussions on the street in Yemelyanovo and at the Krasnoyarsk factory were filled with complaints about food and living conditions.

The issue of improvements in the daily lives of average Soviets is important to Mr. Gorbachev, who has made it a primary element of his policy of perestroika, or restructuring of Soviet society. Mr. Gorbachev has said he is not satisfied with the efforts to improve housing, food supplies and other elements of daily life.

Mr. Gorbachev's comments were included in an hour-long report about his visit to Krasnoyarsk on the evening television news program Vremya. The coverage included the acrimonious exchanges.

"I'll tell you, comrades, right away, that we cannot count on successful perestroika if the people aren't really settled in," Mr. Gorbachev said, "and if they've got so many problems piling up to form a single big problem—that of inadequate social amenities."

Demand by Burmese Opposition Leaders Marks a New Unity

By Seth Mydans
New York Times Service

BANGKOK — Three prominent figures in the Burmese opposition told the government Tuesday they reject its plan for free elections, a sign of growing unity among the personalities who have stepped forward to lead the country's broad-based protest movement.

After some wavering, the three leaders signed their first joint statement Monday demanding that an interim government oversee any election, and diplomats said Tuesday that the trio visited a newly formed election commission to state their rejection of the government's plan.

Over the weekend, President Maung Maung, 63, gave ground to the demonstrators, agreeing to end 26 years of one-party rule and to hold free and open elections within three months.

The opposition figures, U Aung Gyi, Daw Aung San Suu Kyi and U Tin Oo, said elections could not be held in the current atmosphere of disorder and said a formal interim government must be formed.

Meanwhile, the popular force these leaders are attempting to harness was evident Tuesday as witnesses said tens of thousands of demonstrators marched through Rangoon, including 3,000 uniformed doctors, nurses and other hospital workers.

Burma's largely spontaneous uprising has spread over the past month from students to Buddhist monks to factory and dock workers, through the nation's elite of doctors, lawyers and civil servants, and now includes groups of defecting soldiers and entire police departments.

Unlike opposition movements in other nations, in Burma the mass base came first. Potential leaders emerged afterward to attempt to give it focus and direction.

Though these potential leaders can draw enthusiastic crowds at demonstrations, their policies appear largely to follow the mood of the public rather than to lead it.

"They are not the movers and shakers, they came in and rode the crest," a diplomat said Tuesday, referring to the three figures who visited the election commission and to the 82-year-old former prime minister, U Nu.

But the diplomat said the pragmatism they are exhibiting in attempting to join forces could help them to gain real power with which to confront the government.

The first of the opposition figures to step forward was U Aung Gyi, 70, a former brigadier general who was the deputy to U Ne Win in 1962 when the latter led a military coup and established the one-party government he headed until his resignation in July. U Aung Gyi broke with U Ne Win the following year.

When U Ne Win, 77, was replaced by U Sein Lwin, 64, a former general known for his harsh suppression of dissent, one of the new leader's first acts was to imprison U Aung Gyi. He was released a month later.

Alone in the opposition, U Aung Gyi was prepared to accept the government's offer of elections within three months. It was his abandonment of this position Monday that marked the beginning of unity within the opposition.

One of the most popular opposition figures is Daw Aung San Suu Kyi, 42, the daughter of U Aung San, one of the nation's founding heroes. U Aung San was assassinated in 1947.

Daw Aung San Suu Kyi, who has no experience in politics, has shown herself to be articulate and politically astute, and has the best relations among opposition figures with the influential student movement that has spearheaded the mass protests.

The third opposition figure to visit the election commission was U Tin Oo, 62, a former general who was jailed and fired as defense minister and military chief by U Ne Win in 1976.

He maintains wide respect within the armed forces as well as the public, but he has said he would not run for office in any new government that might be formed.

He was one of the first to call for the formation of an interim government, the main plank of the opposition now that it has forced the government to agree to its demand for democratic elections.

The point is a crucial one. One Western diplomat has described the conflict in Burma now as a struggle for control over the mechanisms of an election.

The most dramatic move so far by the opposition, but also one of the most divisive, was the declaration Sept. 9 by U Nu of

a mainly symbolic provisional opposition government.

Neither U Aung Gyi nor Daw Aung San Suu Kyi were included in it, and both voiced irritation at his surprise move. U Tin Oo, whom he did include, also voiced his surprise and withdrew his name.

However, U Nu, who claims a legal right to leadership as the man U Ne Win deposed, could be acceptable as a figurehead leader of any party the opposition might agree to.

U Ne Win himself has not been seen in public since he announced his surprise resignation July 23, and it is impossible even to confirm that he is still in Burma.

But after initial confusion, few people in Rangoon appear to have any doubt that the former general is as firmly in control of the government as he has been since he seized power in a coup 26 years ago.

Diplomats say this sense has fueled a mistrust of the government and of the apparent concessions it is making.

WORLD BRIEFS

Iraq Puts Condition on Talks in N.Y.

GENEVA (Reuters) — The Gulf peace talks adjourned on Tuesday without substantive progress, and their future status was cast into doubt by a tough Iraqi declaration.

The United Nations mediator, Jan Eliasson, said he had invited the foreign ministers of Iraq and Iran for talks with Secretary-General Javier Pérez de Cuellar on Sept. 22, and he said both sides had accepted the invitation. But a subsequent statement by Iraq, which has resisted moving the negotiations to New York, said the delegation would go only if a definite date was fixed for a resumption of the Geneva talks.

The Iraqi delegation agreed to go to New York on that basis and to attend one meeting there provided that the talks resume in Geneva on the agreed date," the statement said. It added that the Iraqi foreign minister, Tariq Aziz, had told Mr. Eliasson that he could not be in New York before the first week of October.

Caymans Hit by Caribbean Storm

KINGSTON, Jamaica (AP) — A hurricane with winds of up to 140 mph (225 kph), hit the Cayman Islands on Tuesday after deluging Jamaica with heavy rains, flash floods and mudslides, weather and radio reports said. There were no official reports of casualties. The storm headed onward toward western Cuba and the Gulf of Mexico.

An unconfirmed report said 30 people were killed in Jamaica, where the storm tore off roof tops, disrupted communications and poured up to 10 inches of rain on the island on Monday.

The National Weather Service and radio operators said they received reports of heavy damage in Kingston, the capital, on the southeast coast and Montego Bay on the northwest.

Leader of Malawi Meets With Botha

MZUZU, Malawi (Reuters) — The leader of Malawi, Hastings Kamuzu Banda, met here with President Pieter W. Botha of South Africa on Tuesday and pledged to continue open dealings with Pretoria. Malawi is the only state in sub-Saharan Africa that has diplomatic relations with Pretoria.

"I believe in dealing with South Africa openly," Mr. Banda was quoted by the official Malawi press agency as saying after the meeting. "This is my policy," he stated at the Cairo OAU conference in 1964," he said. At that meeting of the Organization of African Unity, Mr. Banda refused to support a resolution calling for the total isolation of South Africa because of its apartheid policies.

Mr. Botha and Mr. Banda discussed bilateral ties and the security and economic situation in southern Africa, a joint communiqué said.

Pope Talks of Victims of Apartheid

GABORONE, Botswana (Reuters) — Pope John Paul II flew to Botswana on Tuesday, calling it an island of peace amid southern Africa's troubles and praising its concern for victims of apartheid. Papal aides meanwhile disclosed plans for another African trip next year.

Speaking 18 kilometers (11 miles) from the South African border after arriving from Harare on the second stage of a five-nation African tour, the pope said, "On these shores I have witnessed the plight of those who are subjected to law and discrimination." He added in an address to Catholic priests and lay, "I gladly support you in your desire to be close to those who are unjustly deprived of their legitimate rights and lack decent living conditions."

During the flight from Harare a Vatican spokesman said the pope would go to Tanzania and Madagascar next year. He said no date had been set for a visit to Angola, whose bishops have invited John Paul. South Africa, left out of the current tour, was not on the program for the trip next year, he said.

Another Church Is Attacked in Haiti

PORT-AU-PRINCE, Haiti (AP) — Arsonists burned down a Roman Catholic chapel in the capital after six self-proclaimed killers appeared on government television and declared that the violence Haitians had witnessed so far was only "child's play." They claimed responsibility for the previous day's armed attack on another church in the capital.

The Chapel of the Immaculate Conception in the Cité Soleil slum burst into flames Monday night and burned to the ground. Reporters who went to the scene were chased away by the arsonists. Radio Soleil reported, "Meanwhile, Radio Haiti Inter reported Tuesday that the casualty toll from the gun and machete attack on parishes at the St. Jean Bosco church on Sunday had reached six dead and 77 wounded."

Sweden Protests Bugging to Soviets

STOCKHOLM (Reuters) — Sweden said Tuesday that it had protested strongly to the Soviet Union after finding eavesdropping devices in its Moscow embassy for the second time in two years.

A spokesman for the Foreign Ministry said microphones had been discovered during a check of the compound. Sweeps have been done routinely since '76, when Sweden found bugging devices and blamed the Soviet government.

"We have strongly protested to the Soviet Union and demanded that such eavesdropping activities cease immediately," the spokesman said.

For the Record

Patrick Ryan, suspected by Britain of being the mastermind of the Irish Republican Army's gun-smuggling operations in Europe, has asked for political asylum in Belgium, a Justice Ministry source said Tuesday in Brussels. He was arrested June 30 in Brussels. (AP)

TRAVEL UPDATE

Air Inter Unions Suspend Strikes

PARIS (AFP) — Unions representing pilots and flight engineers of Air Inter, the French domestic airline, suspended on Tuesday a month-long strike after Transport Minister Michel Delebarre backed management and said the Airbus A-320 plane needed a flight crew of only two.

The pilots and flight engineers had been striking from 10 P.M. to 6 A.M. for several months in a bid to force management to put three-man crews in the new planes. Management says they can be flown safely by a pilot and co-pilot, but the unions say a flight engineer is also needed. A union statement issued on Tuesday said the protest would continue.

Mr. Delebarre said, "Air Inter's Airbus A-320s were designed to be flown by two people and must therefore be flown by a crew of two." He said he was giving the unions and the management of the state-owned airline a week to settle their three-year-long dispute. Failing that, he said, he had instructed Air Inter's chairman "to take all measures he considers necessary to provide normal service."

West Germany is considering road tolls for foreign trucks. Transportation Minister Jürgen Warnke said Tuesday in Frankfurt. (Reuters)

Pilots in Airbus Crash Face Punitive Action

By Joseph Fitchett
International Herald Tribune

PARIS — A French civil-aviation review body has recommended punitive action against the two Air France pilots who were flying the new Airbus A-320 that crashed in June at an air show in eastern France.

The recommendation by the Disciplinary Council of the Civil Aviation Authority, constituted the first independent conclusion that pilot error caused the accident.

The pilots had protested that they were prematurely and unfairly blamed for the accident by officials determined to protect the reputation of the aircraft, which is the first commercial airliner to install computer-managed controls.

Officials familiar with the evidence of in-flight recorders said that despite the pilots' assertions that the aircraft was slow in responding to the controls, the computers probably prevented a worse disaster by keeping the plane on an even keel when the pilots realized too late they were about to crash. As a result, the plane avoided stalling and managed to clear

Seoul and Budapest Agree to Trade Missions and Seek Diplomatic Ties

By Susan Chira
New York Times Service

SEOUL — South Korea announced on Tuesday that it would exchange missions with Hungary, the first step toward diplomatic relations with a Soviet-bloc country since South Korea became a separate nation 40 years ago.

The move, praised by governing and opposition parties alike, came as South Korea was making several overtures to the Communist world it once shunned.

Seoul is seeking these openings to expand trade and to inch its way toward a closer relationship with North Korea.

Until now, the Soviet Union and its allies have had relations only with North Korea, the country it has supported since the peninsula was divided at the end of World War II.

With the Seoul Olympics four days away, athletes and officials from the Soviet bloc have converged on Seoul, with both sides conducting what the South Koreans are calling "sports diplomacy."

The Soviet Union's sports minister met with his South Korean counterpart on Tuesday and discussed possible sports exchanges. Also, the first Korean Air jet to be granted permission to fly through Soviet airspace landed in Seoul.

Last week, a Soviet official traveling with his country's team was awarded consular status and met with President Roh Tae Woo.

A Chinese province has agreed to exchange trade offices with Seoul, and several Korean travel agencies signed contracts with China's state-run travel agencies to send South Korean travelers to China.

Seoul newspapers are full of stories predicting that the Soviet Union, China, Poland and Czechoslovakia will set up trade offices in Seoul, in addition to the ones already established by Hungary and Yugoslavia.

Foreign Minister Choi Kwang Soo said Tuesday that South Korea hoped to establish full diplomatic relations with Hungary soon.

In the meantime, the two nations will exchange ambassadors and the permanent missions will oversee trade, scientific and cultural relations.

A Hungarian Foreign Ministry spokesman, Istvan Komoroczki, said in Budapest that formal missions would be set up "in due course" and that the two governments had further agreed to start negotiations soon to establish diplomatic relations.

"Both governments expressed the determination to bring negotiations to success as soon as possible," the announcement said.

Mr. Choi made clear the motives behind South Korea's overtures to Hungary. "The exchange of missions will be a major breakthrough in our overall relationships with East-bloc countries," he said. "We hope this will also provide us a momentum for a better relationship with North Korea."

Those tensions are high as the Olympics near, amid some concern that the announcement of the agreement with Hungary would anger North Korea. After last-minute talks between North and South Korea failed last month to produce any agreement, North Korea said it would boycott the Olympics and issued a statement saying that while the North would not disrupt

the Games, the South had only itself to blame should an attack occur.

North Korean Reaction

North Korea reacted angrily on Tuesday to news from Seoul that Hungary was about to establish official ties with South Korea, the Yugoslavian press agency Tanjug reported from Pyongyang. The dispatch was quoted by Reuters in a report from Seoul.

Tanjug quoted the North Korean deputy foreign minister, Kang Sok Ju, as saying he "could not believe the news delivered by several agencies from Budapest and Seoul that Hungary and South Korea will soon open talks on establishing diplomatic relations."

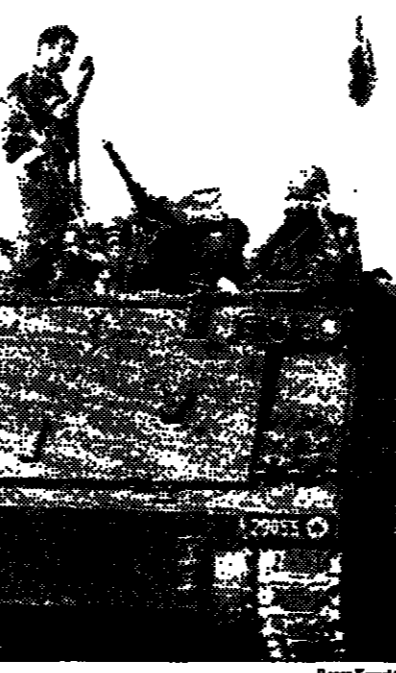
Mr. Kang said the reports, if true, would represent a "flagrant violation of Hungarian-Korean relations."

Japan to Lift Sanctions

Japan announced on Tuesday that it would lift sanctions it imposed on North Korea in January in response to Pyongyang's alleged involvement in a bomb attack on a South Korean passenger jet. The Washington Post reported from Seoul.

The United States had said it had evidence of North Korean culpability in the destruction on Nov. 29 of Korean Air Flight 858. The jet exploded in flight, killing all 115 people aboard.

The Japanese sanctions, including staff restrictions on official contacts, will be lifted on Friday, a day before the Olympics begin, so that the Games can take place "with the utmost possible relaxation of tension," according to a statement by the Japanese government.



Militiamen of the hard-line Lebanese Forces patrolling the streets of East Beirut on Tuesday in armored personnel carriers after clashes with the Lebanese Army in which at least one person died.

Bonn Denies Concessions On Hostage

By Robert J. McCartney
Washington Post Service

BONN — The West German government said Tuesday that it had made no concessions "of any kind" in return for the release of Rudolf Cordes, a kidnapped West German businessman. Officials said he was freed largely because Iran was trying to improve relations with the West now that a cease-fire has been declared in the Gulf War.

The Tehran government, which played the key role in arranging for the kidnappers to release the hostage, also wished to reward West Germany for Bonn's repeated diplomatic efforts on Iran's behalf, particularly at the United Nations, the West German officials said.

Mr. Cordes, 55, was reunited with his wife, Marlene, in Damascus after nearly 20 months in the hands of pro-Iranian, Lebanese Moslem Shiite kidnapers.

In Damascus, Mr. Cordes was officially handed over to a West German government minister by the Syrian foreign minister, Farouk Sharr.

"I feel great," Mr. Cordes said before leaving for West Germany. "I understand there was a big effort by Syria to get me released and I am happy to be free, and I thank the Syrians for their efforts."

(Asked if he was kept with other hostages during his captivity, Mr. Cordes said, "No, I was kept alone.")

Mr. Cordes was accompanied back to West Germany by senior officials who helped carry out what Foreign Minister Hans-Dietrich Genscher called the "quiet diplomacy" that led to his freedom.

Mr. Cordes, who had been the last remaining West German hostage held in Lebanon, originally pointed to Mr. Stethem's blood on the jet's fuselage as he and Mr. Hammadi inspected the plane in Algiers.

"When we went around the front, the nose of the airplane," Mr. Zimmermann testified, "Mr. Hammadi joyfully pointed to the blood running down the door. And with the pistol he pointed — he indicated — he was very proud of this gun and of him having caused this."

Under questioning from the chief judge, Reiner Mückenberger, Mr. Zimmermann said he was "absolutely certain about the events that occurred outside the plane."

The judge indicated that Mr. Hammadi denied the incident took place. Mr. Hammadi has admitted being one of the hijackers, but has denied killing Mr. Stethem.

Judge Mückenberger expressed relief Tuesday that a West German businessman, Rudolf Cordes, was released Monday after 20 months of captivity in Lebanon.

"I am extremely relieved," the judge said. "This happy news means an end to endless speculation about what influence Cordes's captivity would have on these proceedings."

To turn the tide, Mr. Dukakis said he would "challenge" Mr. Gorbachev to:

- "Eliminate the Soviet advantage in tanks and artillery" in Europe, "not just by demobilizing those weapons, but by destroying them."
- "Stop supporting terrorists in the Middle East" and shipping arms to Nicaragua.
- "But we must constantly remind the Soviets of the regional conflict that they created in Eastern Europe, a conflict that has resulted in totalitarian rule over six proud nations for more than 40 years," he said.
- Mr. Dukakis said the "nations of Eastern Europe are police states,

Cuba Alleges CIA Role as U.K. Expels 2 Envoys

By Craig R. Whitney
New York Times Service

LONDON — The Cuban ambassador and a commercial attaché were expelled on Tuesday, less than 24 hours after the junior diplomat pulled a gun in a London residential street and fired at a group of people, wounding a British secret service officer.

What appeared on Monday to have been a case of a Communist diplomat running amok with a gun — a Vietnamese diplomat was expelled over the weekend for waving one at protesters outside his embassy — looked on Tuesday more like a scene out of a thriller, with conflicting versions of what happened.

After Ambassador Oscar Fernandez-Mell and the attaché, Carlos Manuel Medina Perez, left on a flight to Prague on Tuesday afternoon, the embassy issued a statement charging that the incident began when a Cuban defector under control of the U.S. Central Intelligence Agency, Florentino Azpilaga Lombard, approached Mr. Perez as he left home on Monday. Accompanied by three other men and a woman, the defector allegedly spoke to the diplomat "in a menacing way" and ordered him to defect.

"In reply to this he took out the gun he was carrying, fired it, and the group ran away," the statement said. The British police said Mr. Perez had fired five shots in Cambridge Square at 4:30 P.M., narrowly missing a bus, and witnesses said that one of the men who ran away was bleeding. Mr. Perez surrendered his gun to police and was arrested, but claimed diplomatic immunity and was released.

A Foreign Office minister, Timothy Eggar, summoned the Ambassador to the ministry Monday night and ordered him and the attaché to leave the country within 24 hours. He said later, "It is a very, very grave incident. We are not going to allow diplomats to behave like this on the streets of London."

A U.S. Embassy spokesman, and the British spokesman for the Home Office, said that they would have no comment on the assertions that the CIA and a Cuban defector were involved.

But police sources quoted by the Press Association, the domestic news agency, disclosed that the wounded man was a British secret service officer, part of a team fol-

lowing the embassy attaché, as is often done with diplomats from Communist countries.

A spokesman for Scotland Yard said, "The injured man has been interviewed by the anti-terrorist squad who are satisfied that he was not posing a threat to anyone," and added that the case was closed. The man was slightly injured by a bullet that grazed his hand, according to the police.

Mr. Fernandez-Mell had only

taken up his duties in London in April, 1987. Two months later, Mr. Lombard defected to the West from the Cuban Embassy in Prague.

In 1984 Britain expelled 50 Libyan diplomats after a police officer was killed by gunfire from the Libyan Embassy, and British authorities renewed warnings to all foreign diplomats against carrying weapons after the Vietnamese embassy incident last week.

5 in Bush's Ethnic Coalition Resign

WASHINGTON (AP) — Five members of Vice President George Bush's Coalition of American Nationalities, an advisory group formed to garner support for Mr. Bush among the diverse ethnic groups in the American electorate, have resigned amid reports of ties to anti-Semitic organizations.

In announcing the resignations Monday, a spokesman said the Bush campaign conducted a review of the allegations and found nothing to substantiate the reports. The five were: Florian Galdau, Philip Guarino, Laszlo Pasztor, Ignatius Bilinsky and Bohdan Fedorak.

The resignations came a day after Frederic W. Malek, a Bush appointee to the Republican National Committee, stepped down following a published report that said that while Mr. Malek served in the Nixon administration he compiled a list of Jewish employees in top posts at the Bureau of Labor Statistics.

Relations, he said the government is in a reactive mode in dealing with Moscow and charged that Vice President George Bush would continue that.

Mr. Dukakis added, "The Republican ticket has no strategy for testing the limits of what is called 'new thinking' in the Soviet Union. Lloyd Bentsen and I do."

The speech, the second of three foreign policy addresses this week, included the sharp attack on Senator Dan Quayle, the Republican vice presidential nominee, that has become a fixture.

If Mr. Bush "truly believes that J. Danforth Quayle is qualified to be one heartbeat away from the President," Mr. Dukakis said, "how can we trust his judgment when America's future is on the line?"

In his speech, Mr. Dukakis outlined five "challenges" to the Soviet leadership. Campaign aides said they represented a markedly different approach to that of Mr. Bush.

But much of what Mr. Dukakis said followed U.S. and NATO policy, and the economic aspects, which aides said were central, were included only in general terms.

At one point, Mr. Dukakis tried, as he has on other occasions, to suggest that he and Mr. Reagan are closer on Soviet-American relations than Mr. Bush and Mr. Reagan, and thereby cloak himself in

Dukakis Woos Conservatives in Speech on Soviets

By Andrew Rosenthal
New York Times Service

CHICAGO — Governor Michael S. Dukakis, anxious to allay doubts about his ability to manage the superpower relationship, reached Tuesday for conservative, largely mainstream ground on Soviet-U.S. relations with a speech that emphasized his reservations about Kremlin reform but called for America to "seize the initiative" from Mikhail S. Gorbachev, the Soviet leader.

In his most thorough treatment of Soviet-American relations, the Democratic presidential nominee sought to tie himself to an unusual political anchor — President Ronald Reagan. And he was careful to emphasize the need to maintain strong ties.

But, speaking to the Chicago chapter of the Council on Foreign

the mantle of a politician whose toughness on foreign policy has rarely been questioned.

Mr. Bush and Mr. Quayle "want to turn back the clock, to suggest that nothing has changed, to pretend that Soviet leadership today is as tired and as paralyzed and as heavy-handed as it was only a half-dozen years ago," Mr. Dukakis said. "President Reagan understands the danger of that course and so do I."

The Republicans, he said, "are content to leave the initiative on arms control and regional disputes and the spread of advanced weapons systems around the world to Mr. Gorbachev."

To turn the tide, Mr. Dukakis said he would "challenge" Mr. Gorbachev to:

• "Eliminate the Soviet advantage in tanks and artillery" in Europe, "not just by demobilizing those weapons, but by destroying them."

• "Stop supporting terrorists in the Middle East" and shipping arms to Nicaragua.

• "But we must constantly remind the Soviets of the regional conflict that they created in Eastern Europe, a conflict that has resulted in totalitarian rule over six proud nations for more than 40 years," he said.

Mr. Dukakis said the "nations of Eastern Europe are police states,

AMERICAN TOPICS

Machines That Talk Fail to Sell in U.S.

American consumers are refusing to buy machines that talk. The New York Times reports...

But Sony's talking alarm clock fared poorly. Panasonic has dropped its chatty microwave oven...

It's the ultimate in intrusiveness, said Mel Miller, the speaker of the New York State Assembly...

Short Takes

Senator David Karnes, Republican of Nebraska, drew cheers from supporters of his Democratic opponent...

American stores traditionally charge women, but not men, for alterations on clothes. In Los Angeles, Gloria Allred...

Shorter Takes: Twenty years after Columbia University stopped building a gym in adjoining Morningside Park after...

WOO for SENATE



LATE VICTORY — Lieutenant Governor S.B. Woo of Delaware claiming victory in the state's Democratic primary election for senator...

student protests that nearby black residents needed the space, the foundation hole will become a pond as part of a park rehabilitation program...

Notes About People

Joseph R. Biden Jr., looking tanned and fit, has returned to the Senate after seven months of recuperation from brain surgery...

Education Secretary William J. Bennett, who is leaving office this month, said Harry S. Truman's quip that "if you want a friend in Washington, buy a dog" is funny but false...

Arthur Higbee

U.S. Bolsters Radon Warning, Urging Tests of Most Homes

By Philip Shabecoff New York Times Service

WASHINGTON — Citing new evidence that the threat of cancer-causing radon is more widespread than previously recognized, the U.S. government has issued a national public health advisory...

Radon-induced lung cancer is one of today's most serious public health issues, said Dr. Vernon J. Houk, an assistant surgeon general with the Public Health Service.

Dr. Houk and Lee M. Thomas, the administrator of the Environmental Protection Agency, said Monday that all detached and row homes as well as all apartments from the second floor down should be inspected for radon.

If levels exceed recommended guidelines, they said, remedial action should be taken to lower the amount of radon seeping into homes.

Two years ago, officials warned of rising evidence of the hazards of radon in homes, saying it might be responsible for 5,000 to 20,000 lung cancer deaths per year...

The announcement Monday followed a survey of seven U.S. states. Dr. Houk said the new data supported the conclusion that radon in U.S. homes caused as many as

20,000 lung cancer deaths each year.

The two officials said they believed that testing for radon levels should be required whenever a house changes hands, a practice already common in some areas where radon is a recognized threat.

Some scientists believe, however, that the method used by the Environmental Protection Agency in its surveys overestimates the extent of the problem, and they also question the need for testing virtually every home for radon.

Radon is an invisible, colorless gas formed when uranium in the soil and rocks decays. Outdoors, it dissipates and is harmless. But inside some buildings, depending on ventilation, air pressure and other factors, it can accumulate. Over years or decades of exposure, it can raise the risk of lung cancer.

In a survey involving 11,000 homes in seven states, the agency found that nearly one in three houses tested had levels of radon above those considered a health risk. In a similar survey last year of 10 different states, the agency found that one in five homes contained the gas at levels above the U.S. standard.

The levels of radon in homes can often be minimized by such means as sealing cracks in foundations or adding ventilation.

Extrapolating from the testing conducted this year, the agency es-

timated that among the 15 million homes in the seven states surveyed, about 200,000 had levels that exceeded the current health-protection standards for uranium miners.

For people who spend 75 percent of their time in the home, that level poses a cancer risk equal to smoking more than a pack of cigarettes a day, the agency estimates.

Officials of the agency said that the new survey results reinforced previous estimates that at least eight million homes in the United States were contaminated with radon. Those estimates had been challenged as too high by some scientists.

The government recommended that homeowners take action to reduce the buildup of radon when tests find the gas at four picocuries per liter of air or more. A picocurie is one trillionth of a curie, a standard measure of radiation.

In terms of danger to the lungs, Dr. Houk said, exposure to four picocuries per liter in the air was equivalent to having 200 to 300 chest X-rays a year or smoking half a package of cigarettes a day.

The states in the latest survey were Arizona, Indiana, Massachusetts, Minnesota, Missouri, North Dakota and Pennsylvania. Last year the survey covered Alabama, Colorado, Connecticut, Kansas, Kentucky, Michigan, Rhode Island, Tennessee, Wisconsin and Wyoming.

Worst of Drought Is Over, U.S. Agriculture Agency Says

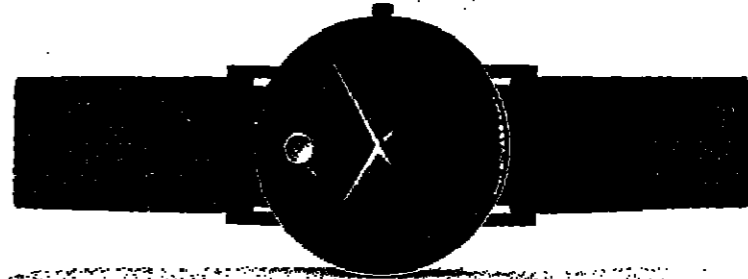
New York Times Service

WASHINGTON — The worst of the drought is over, the Agriculture Department has announced, standing by its prediction that grain production would fall 31 percent this year.

The monthly crop report, based

on growing conditions on Sept. 1, also stated Monday that consumer prices and farmers' income should not be much affected by the drought, even though the corn crop, for example, is expected to be at a five-year low and soybeans at a 12-year low.

"We continue to believe that the drought will add one percentage point to the Consumer Price Index for food in 1988," said Ewen M. Wilson, the department's assistant secretary for economics. The food component is only one of several in the full index.



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Jackson and Dukakis Reconcile, Once Again

By Michael Oreskes

New York Times Service

WASHINGTON — The Reverend Jesse L. Jackson is evaluating advertising scripts for Governor Michael S. Dukakis. He helped him write a speech, and he is even advising on how to deflect Vice President George Bush's attacks.

It is the latest rapprochement between Mr. Dukakis, the Democratic presidential nominee, and Mr. Jackson, the party's runner-up. Quietly — at least for now — are the bitter complaints from Mr. Jackson, who felt that he and his supporters were being left out in the cold by Mr. Dukakis even after the two had stood together and pledged unity at the Democratic Convention in Atlanta.

There is still no great personal chemistry between them. After weeks of tension over Mr. Jackson's role or lack of one in the Dukakis campaign, suspicions lingered. Dukakis staffers said the nominee had decided he must tolerate Mr. Jackson in the interest of winning.

When a journalist observed to Mr. Jackson on Friday that Mr. Dukakis was not a particularly friendly person, Mr. Jackson replied, "But he's competent."

But Mr. Dukakis's staff is hoping that these little daggers Mr. Jackson has been tossing will be buried now by their efforts of the last few days to overcome past misunderstandings and bring him into the campaign's inner workings.

"He's now involved strategically in our campaign," said Donna Brazile, who supervises field operations for the Dukakis camp.

"In the last three days the campaign is making a turnaround for

the better," Mr. Jackson said. He noted that with 57 days to go he had yet to make his first official campaign appearance at the request of the ticket.

An improved relationship with Mr. Jackson is, in part, a by-product of a larger decision by the campaign to reach out to a broader range of Democrats.

The key figure in this peace-making is John Sasso, newly returned to the Dukakis campaign in the role of vice chairman.

One of Mr. Jackson's major peeves with the Dukakis campaign was the way he was being held at arm's length. There was always the suspicion in the Jackson camp that this was more than a matter of Mr. Dukakis's aloof personality, particularly after Dukakis staffers said there were states where Mr. Jackson's appearance on behalf of the ticket would do more harm than good. That triggered a blow-up between the Jackson and Dukakis camps two weeks ago.

But Mr. Sasso went to New York last week to see Mr. Jackson and mollify him. "Sasso coming into the campaign is the link to expansion," Mr. Jackson said Monday.

Among other things, Mr. Sasso asked for Mr. Jackson's advice on how to counter Mr. Bush's use of the Pledge of Allegiance to the flag as a campaign weapon against Mr. Dukakis, who once vetoed a state bill that would have forced teachers to lead their students in the pledge. Mr. Jackson recommended that Mr. Dukakis turn the issue back on Mr. Bush. "Pledge allegiance to the flag," Mr. Jackson said. "But pledge to house the homeless. Pledge to educate our children. Pledge to pay our teachers. Pledge allegiance to the people. Standing upright pledging allegiance to an American flag made in Korea will not wipe out hunger in America."

The campaign has followed up with other questions for Mr. Jackson.

"He is now rewriting the 10 reasons why black voters should support Mike Dukakis," Mrs. Brazile said in reference to a campaign brochure drafted by the campaign. Mr. Jackson is also reviewing radio scripts and print advertising. "Jesse's the best message person we have in black politics," she said.

New Mexico Rockfall Kills 5

United Press International

VELARDE, New Mexico — Five persons were killed and 14 injured when a boulder rolled down a mountainside and hit a bus in the north of the state, officials reported Tuesday.



What kind of airline has to pay people to fly it?

In fact, the people we pay are part of the payroll. Their job? To be just another passenger. The difference is, on each flight they take, they take notes. Which make up a report telling us what TWA is like from the passenger seat. It covers booking, through check-in, to everything in-flight. And once this report has been completed, it doesn't sit and gather dust. It goes to someone who reads it and acts on it. Someone who believes that a good way to start attracting more passengers is to see things from their point of view. He's the head of the airline. The Chairman of TWA.

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INTERNATIONAL Herald Tribune

Games, for a Change?

The Summer Olympics have for years been blighted by political posturing and even bloodshed, grievously compromising the innocent ideals of athletic competition.

peninsula, South Korea has been devastated by war, ruled by grim military autocrats, riven by student protests. It long has enjoyed American protection but has no diplomatic ties to China or the East bloc.

Of Bush and 'the Sage'

It is a good thing that Frederic Malek, deputy chairman of the Republican National Committee, quickly resigned his office after it came to light that he had cooperated with President Richard Nixon in a most offensive project: seeing whether a preponderance of Jews at the top of a federal government agency might be responsible for its supposed defiance of Mr. Nixon.

How much screening he did. The vice president, who has in the past made some top-flight appointments, has lately been having problems in this regard.

Other Comment

Lebanon: The Ultimate Insult

Will Lebanon — torn, subjugated and ruined by 13 years of merciless war — now be subjected to the ultimate insult of being deprived of a president? This somber scenario can no longer be ruled out.

Playing for an Edge in Burma

President Maung Maung, by refusing to hand over power to an interim administration, is playing for all the advantage he can get.

Time for Dukakis to Sprint

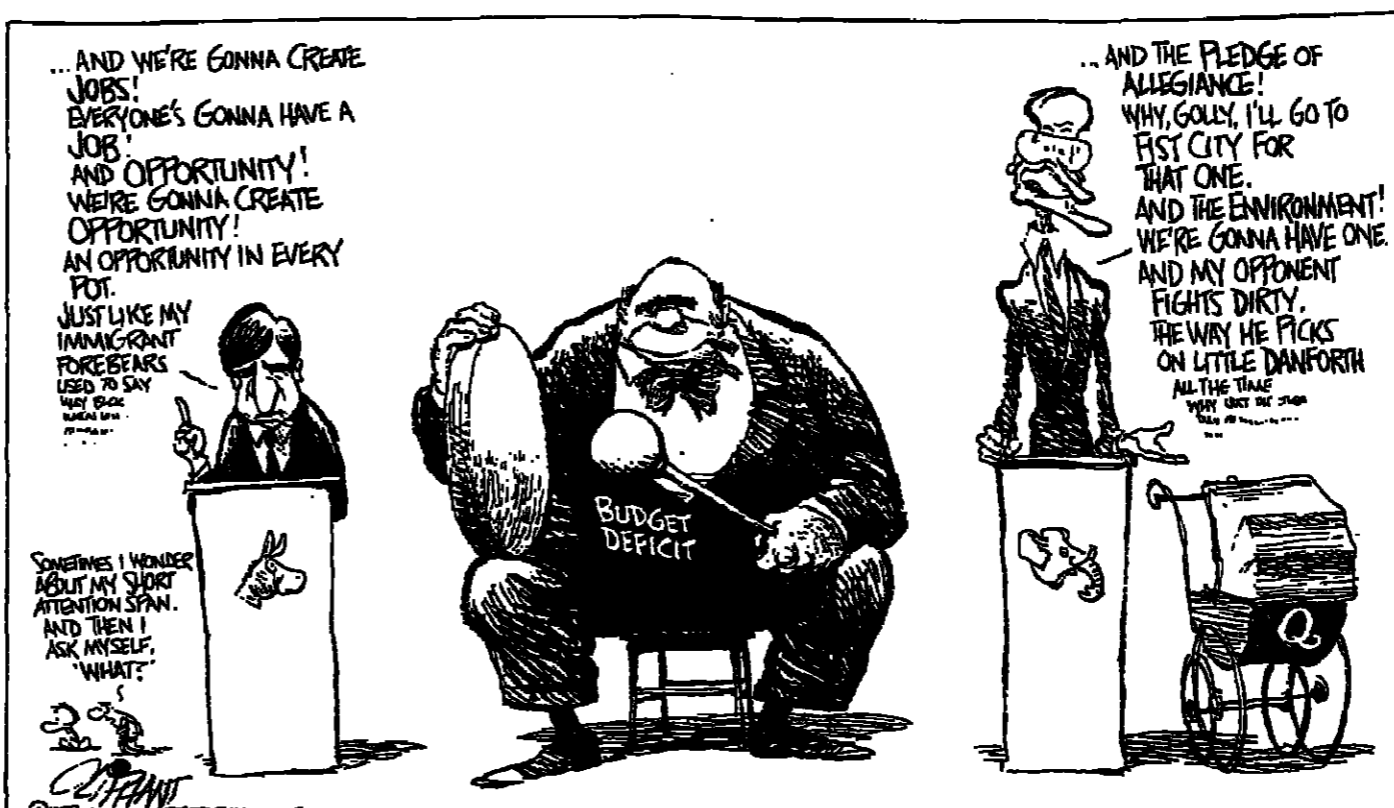
With two months to go until Election Day, George Bush has jumped into a lead over Michael Dukakis that dismisses Democrats and has Republicans talking of another sweep.

Those Bossy Appliances

People plainly hate talking appliances, as The New York Times News Service reported in an article the other day. What's not so obvious is why.

This Former Hostage Favors Renewing U.S.-Iranian Ties

THE cease-fire in the Gulf War and recent overtures by Iran toward the West have raised speculation about the release of nine American hostages said to have been taken by Iranian-backed elements in Lebanon.



Are They Big Enough? They Don't Look It Yet

WASHINGTON — "Big enough to lead the world?" That is the question asked on the cover of The Economist, the British weekly whose insights into American politics are often shrewder than any mired on America's shores.

illnesses of age afflict them; how well trained and educated their children will be, given the problems in the schools; and whether their grandchildren will be able to move up a ladder of opportunity that seems to have lost its bottom rung.

worse: Republicans have succeeded in planting doubts about Mr. Dukakis's values and beliefs by hammering on the "Massachusetts liberal" image. To a remarkable degree, these men are still strangers, mysterious figures to many voters.

Beirut: Grievances Are Forgotten, the Feud Remains

BALTIMORE — There is a way the Lebanese see the world. It is a way born out of ruin, and out of their age-old dependence on outsiders. It involves the belief that deliverance is just around the corner.

national trade and transit will have to come to terms with its limits, to find a way the warring sects can share its fragments and its cramped alleys.

must have believed that out of the ruins of a compromised and unjust city a better one would emerge. Such a fantasy must have been at work among the Moslem militias, among the leftist parties that believed that the war would give them a chance to build a better society.

1888: Sultan's Revenge

TANGIER — A letter to the London Times from its Tangier correspondent gives details of the Sultan of Morocco's fight with the rebel tribes. His majesty was completely surrounded by the Berbers and surprised them in the night and cut his way through them.

1913: Germans in China PEKING — It is persistently reported in well-informed circles that an agreement has been partly reached with Germany by which China will employ one lieutenant-general with a staff of six officers and an interpreter at Peking, and also two hundred officers distributed throughout the

country, all Germans. The cost of the scheme is estimated at 4,000,000 marks, a million of which will be provided by Messrs. Krupp. No confirmation of the report is available. The strongest opposition is expected on the part of the other Powers.

A First Step To Halt A Genocide

By Jim Hoagland GENEVA — The U.S. Senate has taken an important first step toward halting Iraq's massacre of Kurdish civilians and guerrilla fighters. The House of Representatives and the White House should now quickly approve the package of economic sanctions that the Senate has voted to impose on the Baghdad government.

1938: Polish Emergency WARSAW — Parliament was dissolved by a Presidential decree promulgated tonight (Sept. 13). The general impression is that the step marks the beginning of dictatorial rule in the present international emergency.

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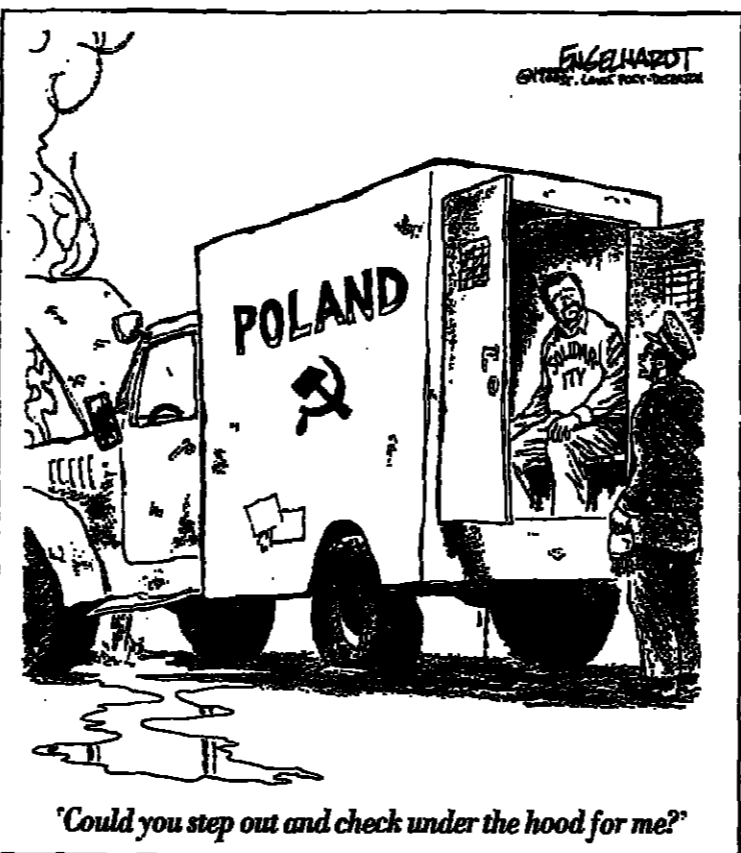
Poland... Cuba's Is Reve... LUANDA... Interview...

OPINION

Poland: On the Verge Of an Epic Reversal

By Stephen S. Rosenfeld

WASHINGTON — The turn in Poland is stunning. It points toward nothing less than a resolution of Moscow's division of Europe after World War II — the event that created, that was the Cold War. Yes, I know, it hasn't happened yet, and it will take years of raw political combat, and it must be extended through the region, and it may collapse. But the fact is that nearly eight years after the Communist government of Poland crushed Solidarity, the government is moving to grant it a public role that begins to reflect the banned labor organization's wide popular support. Communist Party, which supposedly represents the workers, is acknowledging that it doesn't, and is on the verge of an epic reversal in which it begins to accept the "trade union pluralism" — begins to accept precisely the free choice the West meant to secure for Eastern Europe at Yalta. Eight years wiser and wendier, the party is acting on its own evident inability to contain this summer's strikes and, beyond that, to muster the public confidence essential to coping with the catastrophe that is the Polish economy. It is calling in Lech Walesa, the Solidarity leader, to join it in tackling those tasks, partly perhaps to dare Solidarity to take on the dirty work of enforcing austerity, and partly to get the job done. The important consideration remains that in cracking open the door for Solidarity, the party is acting for the good of Poland. This opening could not have materialized if the Kremlin had not consented to it — perhaps even encouraged the bolder people in the Polish leadership — for the purpose of lightening the Soviet load in Eastern Europe. Already Poland is leagues ahead of anything so far contemplated in the Soviet perestroika, but then, Poland is Poland, at heart Western. Mikhail Gorbachev knows that. He seems ready to live with it. At a private conference of Soviet and American academic specialists in Washington two months ago, the Soviets made the mind-boggling admission that socialism came to Eastern Europe after World War II "under the influence of the Soviet Union" — that is, not by Eastern Europe's own choice. The Soviet academics were not prepared then, any more than Soviet policy makers are now, to accept the implication that Soviet domination is illegitimate and must be stripped away. Still, the promise of the Polish developments is that Moscow is removing some of its "influence" and is allowing Eastern Europe — starting in Poland, always pivotal in the region — to find some part of its own way. What part? In a broad sense, a Solidarity proposal launched in the movement's first years and now being revived in Warsaw offers one answer. I heard of it last week from Janusz Onyszkiewicz, a Solidarity brain trust visiting Washington; he was received by President Reagan on Wednesday. The proposal calls for a second legislative chamber, freely elected, for domestic affairs; the first chamber would remain under party control and would deal with security affairs, thus satisfying Soviet interests. It matters, Mr. Onyszkiewicz said, that Moscow thinks that "a good part" of the Polish opposition is not anti-Soviet. That leaves the question of whether Solidarity, if it were brought again into the legal political arena, could be any more effective than the government in getting desperate and apathetic workers — Solidarity's own constituency — to bear the prolonged sacrifices and lower living standards that attend the necessary market-type economic reforms. Edwin Yoder, voicing a thought that sometimes strikes (and silences) Solidarity's well-wishers, suggested in a recent column in the Washington Post that liberating Solidarity is heroic but irrelevant and verging on destruction. (See excerpt below.) It put him in mind of how the Poles threw horse cavalry against Hitler's invading tanks in 1939. The critique stung Mr. Onyszkiewicz, who insisted that the cavalry vs. tanks story is a myth (the cavalry charged not at tanks but at soldiers coming up with the tanks), and that the Solidarity movement has not only the moral authority but the political vision to impose the requisite discipline. Solidarity also, he hopes, can command vital Western credits. It appears we'll soon start to see. The Washington Post.



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Solidarity Is for the Most Part a Noble Irrelevance

SOLIDARITY'S struggle for legality remains a very Polish spectacle — a heroic effort for an increasingly antique ideal of what the modern world is all about. It recalls how the Poles with machine guns bravely and inconspicuously threw waves of horse cavalry against Hitler's panzer units in the autumn of 1939. This is not to minimize principled heroism — although some exasperated Poles would probably trade a bit of it for higher living standards. For seven years, Wojciech Jaruzelski's inept military government has subjected the Communist world's only authentic union movement to persecution, imprisonment and exile. If Solidarity did no more than call the world's attention to this startling discrepancy between theory and practice (the party serving not as workers' champion but as their oppressor), it would serve a historic purpose. Otherwise, Solidarity is for the most part a noble irrelevance, and current hopes of its legal recognition are likely to raise exaggerated expectations. A free and legal Solidarity would be a great thing. But what ails the Polish economy is far more than a simple lack of elementary workers' rights or political pluralism. That is not what has made Poland an economic basket case. The evidence is nearby. Elsewhere in Central Europe, Hungary and Czechoslovakia offer startling contrast. Their people are at once more cynical and more prosperous. They aren't even within halting distance of the strikes that Solidarity has made for free trade unionism. But so far as prosperity is concerned, that seems to matter less than it should. More even than free unionism, Poland needs emancipation from the vice of administered wages, prices and planning — a chance to breathe the air of incentive economics. This would be no cure-all. But even in Moscow and Beijing, the advances of private incentives are understood, if not yet accommodated by party theory. Meanwhile, in the prospering world of economic pluralism, where unions are free to function as they like, the 19th century adversary model of capital-labor relations is under startling modification. Lech Walesa and his heroic band are striving to establish it in Poland, and more power to them, for its symbolic importance is undeniable. But if the horse cavalry problem all over again. — Edwin M. Yoder Jr.

Confessions of a Gringo Coconut

By Carlos Sanchez

WASHINGTON — This is National Hispanic Heritage Week in the United States, so maybe it is time I came out of the closet. Despite my Hispanic name and heritage, I cannot speak Spanish. I am the product of assimilation. Born American, taught American, I grew up denying I was anything but American. I once resented reminders of my ethnic past, reminders that I was not as white as some of my friends. My thoughts and attitudes were the direct result of a decision my parents made long ago: to teach me basic American values, and to teach them in English. My mother tells the story of how, as a first grader, I got into a fight with a little boy on the way home from school. When my mother demanded to know why, I answered angrily: "Because he called me a Mexican." I still remember the sting when she laughed and told me that I was. I grew up in a middle-class neighborhood in El Paso, Texas. Next to neighbors named Archuleta and Lopez there lived the Bardens and Robertson. We played hide-and-seek, went to John Wayne movies, and when we could sneak a towel out of the house, flew like Superman. I grew up happy. I grew up white. But as I began attending school, my ethnic innocence was slowly chipped away. I remember my daily humiliation when I found burritos instead of sandwiches in my lunchbox. I remember the pain when my best friend, Eric, announced one day that he didn't like me anymore because I was Mexican.

MEANWHILE

From the story of the Alamo, where the villainous Mexicans killed those brave Texans, to the Clint Eastwood movie in which a filthy Mexican lit a match by striking it against his rotting teeth, I learned shame for my culture. And nowhere was the sense of shame stronger than with my grandmother. We called her Mama. Juana Galaviz de Escobar. Now 95. Born a U.S. citizen in 1893 in the Arizona territory. Moved to Mexico as a young bride of 15. Widowed three years later. Entered nursing. Got swept up in the Mexican Revolution. Remarried. Returned to the United States. Everything about her echoed of Mexico. From the food she ate to the saints she worshipped to the language she spoke. Mama was a constant reminder of a culture I wanted no part of. We visited her weekly, against my will. She lived in a musty-smelling adobe house in a tough neighborhood that was almost all Mexican. The only appeal these visits held for me was Mama's backyard, a big, wonderful, dirt yard with endless entertainment possibilities. But to get there I had to go through the kitchen — past Mama. I could never get by without her laughing at me. She would stop me, then barrage me with incomprehensible questions or orders. My bewilderment only seemed to make her laugh more. "Don't you understand her?" my mother would ask, and, of course, I couldn't. I could not speak Spanish. It took me years to understand why she was so amused. I could understand only when I saw the situation from her perspective: Here was this little Mexican kid who thought he was white. By the time I attended high school, there was no denying my culture. But I still related to whites better than other Hispanics. I was a coconut: brown on the outside, white on the inside. They were years of discovery, especially in a border town where all the vice that money could buy was a short drive away in the red-light district of the Mexican city of Juarez. Even then negative images about my culture fed my psyche. In the strip joints, sleazebars and brothels that I visited with my friends, every Mexican woman was a potential whore, every Mexican man a potential thief. It was with those experiences, inbred over 18 years, that I left El Paso for college — and discovered what it really meant to be a Mexican-American. It began with the realization that the people I gravitated toward, the situations I felt most comfortable with, the lifestyles that were most familiar, were white. I realized, too, that relating to whites was easy for me; but relating to me was not easy for them. I was one of a handful of Mexicans in my classes. Not only was I different, but I was the object of the very scorn that I had reserved for other Mexicans throughout my youth. So I began to fight back. I wrote a story for the college newspaper about going through fraternity rush in an attempt to join one of the elitist organizations; the indignities I suffered included being doused by beer as I stood in front of a group of laughing fraternity men. In such circumstances, it became self-defeating for me to be ashamed of my culture. To take shame in my background was to perpetuate the viciousness of these people's attitudes. To this day, I often feel like a lesser Hispanic because of my poor Spanish. The irony of that fact would make Mama laugh: The very assimilation that helped me succeed in life is also undermining me. The pressure to retain the language of my culture is now as powerful as the pressure to conform to the American culture. My parents' generation needed night school to learn English. I need it to learn Spanish. — B. ARLANDER, Paris. The writer is a Washington Post reporter.

LETTERS TO THE EDITOR

Robin Jeffrey's opinion column "Why India Keeps on Expanding Its Naval Power" (July 25) concludes: "What must ultimately be questioned is the wisdom, not to say morality, of pouring hundreds of millions of dollars into a blue water navy when more than 60 percent of India's people still do not have supplies of clean water to drink." India's overall defense spending (including its enhanced naval expenditure) is still only 4 percent of gross national product. This compares with 6.5 percent for the United States, 5 percent for some other major Western countries and nearly 10 percent for Pakistan. Mr. Jeffrey does not seem to realize that economic development and military development can — and, many would argue, must — go side by side. They are certainly not mutually exclusive. After all, Dickensian poverty did not prevent Britain from vigorously arming itself and prospering economically at the same time; nor did the Great Depression of the 1930s preclude U.S. militarization and the country's simultaneous growth to economic superpower status. India's military history has been exemplary. It has fought mainly defensive wars (against China, Pakistan and, before independence, against foreign invaders). It is curious that the West, whose global prosperity is at least partly based on military conquests of foreign lands over the past 500 years, now feels threatened, as Mr. Jeffrey implies, by India's blue water navy aspirations. The wisdom and morality Mr. Jeffrey finds absent in this are surely not conspicuous in such Western appraisals either. MINHAZ MERCHANT, Bombay.

First, They Must Know

Regarding the comment "Corking the Chemical Bottle" (Aug. 6) and the news analysis "Chemical Weapons: New Fear" (Aug. 6) by Bernard Trainor: Both the editorial excerpt and Mr. Trainor's news analysis cite a seeming indifference of the world public to chemical weapons. As a Canadian who has been working on disarmament and other global issues for eight years, I wish to address the question of why this is so. People do not respond to the use and continuing development of chemical weapons because, for the most part, they do not understand the implications. Also, there is a widespread lack of the sense of human relationship and of empathy. When chemical weapons were used in a Kurdish village, there was no demand from the world community that they must not be used in such a place, or anywhere else on Earth. There is an urgent need for a vigorous campaign of global education about chemical weapons, their effects, and the possibilities of accidents. Only when people arrive at a point of moral outrage will they say a resounding "no" to their governments concerning chemical weapons and nuclear weapons. But first the people must be informed. More than 50 years ago, Albert Ein-

stein said, "It is the people who must express their desire for disarmament if they really want it." Issues such as chemical weapons are the responsibilities of every one of us. God help us if we do not shake ourselves into this reality in time. SALLY CURRY, Geneva.

The Precedent Was Bad

Regarding the news reports "Iran Asks Iraq on Claim to Disputed Waterway" (Aug. 29) and "At Gulf Talks, Iraq Official Accused Iran of Bad Faith Over Waterway" (Aug. 30): International law and simple logic dictate that when a waterway separates two countries, each country is entitled to its side, the frontier being the middle line. To protect its oil interests after World War I, Britain imposed on Iran an agreement by which Iran relinquished some of its sovereign rights on the Iranian side of the Shatt-al-Arab, long before independence was granted to Iraq. This agreement was reassessed in 1975, and free navigation rights were given to both countries in conformity with international law, with each country being sovereign on its side. Iraq now claims it signed the 1975 agreement under duress. It is more difficult to conceive that the previous agreement was signed by Iran willingly. It is dangerous to re-create a colonial precedent against international practice. B. ARLANDER, Paris.

GENERAL NEWS

UN Is Asked to Check Reports on Kurds

By Paul Lewis, New York Times Service

WASHINGTON — The United States and several of its allies have asked the secretary-general of the United Nations to send an investigative team to Iraq to determine whether the armed forces there used poison gas against Kurdish guerrillas, diplomats said. The request on Monday to Javier Pérez de Cuellar — from the United States, Britain, West Germany and Japan — seeks to have a UN team travel to northern Iraq to look for evidence of chemical warfare in the mountainous Kurdish regions and to Turkey, where thousands of Kurdish refugees have fled the fighting. Interviews with the refugees indicate that something unusual took place to cause the exodus of the Kurds, who have long resisted conventional military pressure. But although suspicion is strong, evidence of actual use of poison gas does not appear conclusive. Nor is it clear whether Iraq, which denies the accusations, would allow such investigators to enter its territory. But the United Nations hopes to have a team ready by week's end that could be sent to the Kurdish camps in Turkey if Iraq refuses its entry. Iraq's acting foreign minister, Saadoun Hammadi, was careful on his visit to Washington last week not to reject some kind of outside investigation, though he said that military operations there must first be completed. Western diplomats argue that it would be tantamount to an admission of guilt for Iraq to deny UN inspectors full access to its territory after it had dismissed the accusations as untrue. They point out, though, that Iraq might conceal evidence of gas use. Such evidence usually consists of skin and lung burns, as well as fragments of shell and bomb casings contaminated by the chemicals they contained. Since the cease-fire last month in its war against Iran, the Iraqi Army has reportedly mounted a major push against dissident Kurds in the north. The Kurdish struggle for autonomy or independence from Iraq is decades old, and in recent years, the Iraqi Kurds have received help from the Iranians, who have used them as a surrogate force against Iraq. Thousands of Kurds have fled across the border into Turkey and Iran. The Reagan administration, endorsing the Kurds' accusations of Iraqi use of chemical warfare, has said it has evidence of its own that Baghdad has been using poison gas in this latest attempt to crush the Kurdish rebels. UN investigators have already concluded three times this year that Iraq used mustard gas and other chemical agents against Iran before the cease-fire agreement. The most recent report described Iraq's use of such weapons as "intense and frequent." The use of chemical and biological weapons in warfare was outlawed by the Geneva Protocol of 1925, although countries are still allowed to manufacture and store them as deterrents against attack. Experts say that international law is unclear about the prohibition also applies to military action within a country directed against dissident elements of its own population. But the Reagan administration has made clear that it condemns the use of poison gas and other chemical weapons against the Kurds on moral and human-rights grounds. Congress has also moved to impose economic sanctions against Iraq as a result of the allegations. A Senate bill approved last week would cut off trade credits worth about \$800 million, halt American exports of military and other sensitive equipment to Iraq, and require U.S. representatives to vote against World Bank and other international lending agencies. The House is expected to debate similar legislation later this week. Staffers say it is uncertain whether Congress will have time to enact any measure before it adjourns, probably early next month. Supporters of sanctions say they would have a crippling effect on the economic life of a country that is desperately struggling to pay a large foreign debt incurred as a result of the Gulf War. Some estimates put it at \$60 billion. In addition to American, British, West German and Japanese support for an investigation, Italy favored the initiative but was not represented at the meeting with the secretary-general, diplomats say, because its new UN representative has not yet been accredited. France, a permanent member of the Security Council, said it supports the investigation, though it was one of Iraq's principal arms suppliers during the Gulf War.

Cuba's Covert Role in Angolan War Is Revealed in Newsletter for Troops

By James Brooke, New York Times Service

LUANDA, Angola — The newspaper's weekly language lessons teaches Cuban soldiers how to say "brother" in the language of the Kuanhama tribe of southern Angola. This summer, the paper printed exclusive photographs of MiG-23 jet fighters coming in to Cahama airstrip, a landing field hurried to completion to bring Cuban air power within five minutes' range of South African positions in South-West Africa, the South African-administered territory also known as Namibia. In a war fought in a remote, almost empty countryside, Angolan officials generally succeed in camouflaging the extent of Cuban participation. But once a week, the curtains are drawn slightly apart with the appearance in this country of a four-page, Spanish-language newspaper, Verde Olivo en Misión Internacionalista. An overseas edition of the newspaper of Cuba's armed forces, it is printed in Luanda for the estimated 50,000 Cuban soldiers and 2,000 Cuban civilians working in Angola. A close look at it gives the reader some sense of the heavy Angolan dependence on Cuban forces in a recent campaign to expel South African troops from southern Angola. Recently, Pretoria withdrew the last of its troops under a cease-fire agreement reached at talks mediated by the United States in Geneva. But Angolan, Cuban and South African negotiators have yet to establish a timetable for the total withdrawal of the Cubans from Angola. Judging from the pages of Verde Olivo, such a withdrawal may be difficult to accomplish. In addition to building airstrips, the Cubans repair tanks, trucks and armored personnel carriers, provide medical care, maintain radio and field phones, man radar and anti-aircraft batteries, and provide officers and advisers for many Angolan Army units. "The Angolans will be absolutely helpless without the Cubans," a European diplomat in Luanda said. "The Cubans maintain the equipment and supply transport."

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Technology

Issue No. 6

IN BRIEF

Recycling Plastics

NEW YORK (NYT) — Under pressure from anti-pollution legislation and shrinking landfill space, the plastics industry is developing technology for recycling its products...

Plastics manufacturers are investing research funds, and entrepreneurs are already exploiting existing technologies to draw profits from recycled plastics.

Some companies are recovering pure resin polymers from plastic carbonated beverage bottles to create products like fiberfill for pillows...

But it is still unclear how much the industry can reduce the burden of waste that is overtaxing the disposal capacities of the United States.

Currently, less than 1 percent of all plastics is recycled, as against 29 percent for aluminum and 21 percent for paper.

But spokesmen for the plastics industry say the potential for recycling has only begun to be explored. They say markets have been created for recycled plastic products...

Solar Power Plant Set

NEW YORK (NYT) — In a landmark in the development of solar power, a company that makes patio lights powered by the sun says that it will build a \$125 million plant in the desert near Los Angeles to make large amounts of electricity directly from sunlight.

The power would be sold at a profit to the Southern California Edison Co. under a rate established several years ago to encourage production of energy from renewable sources.

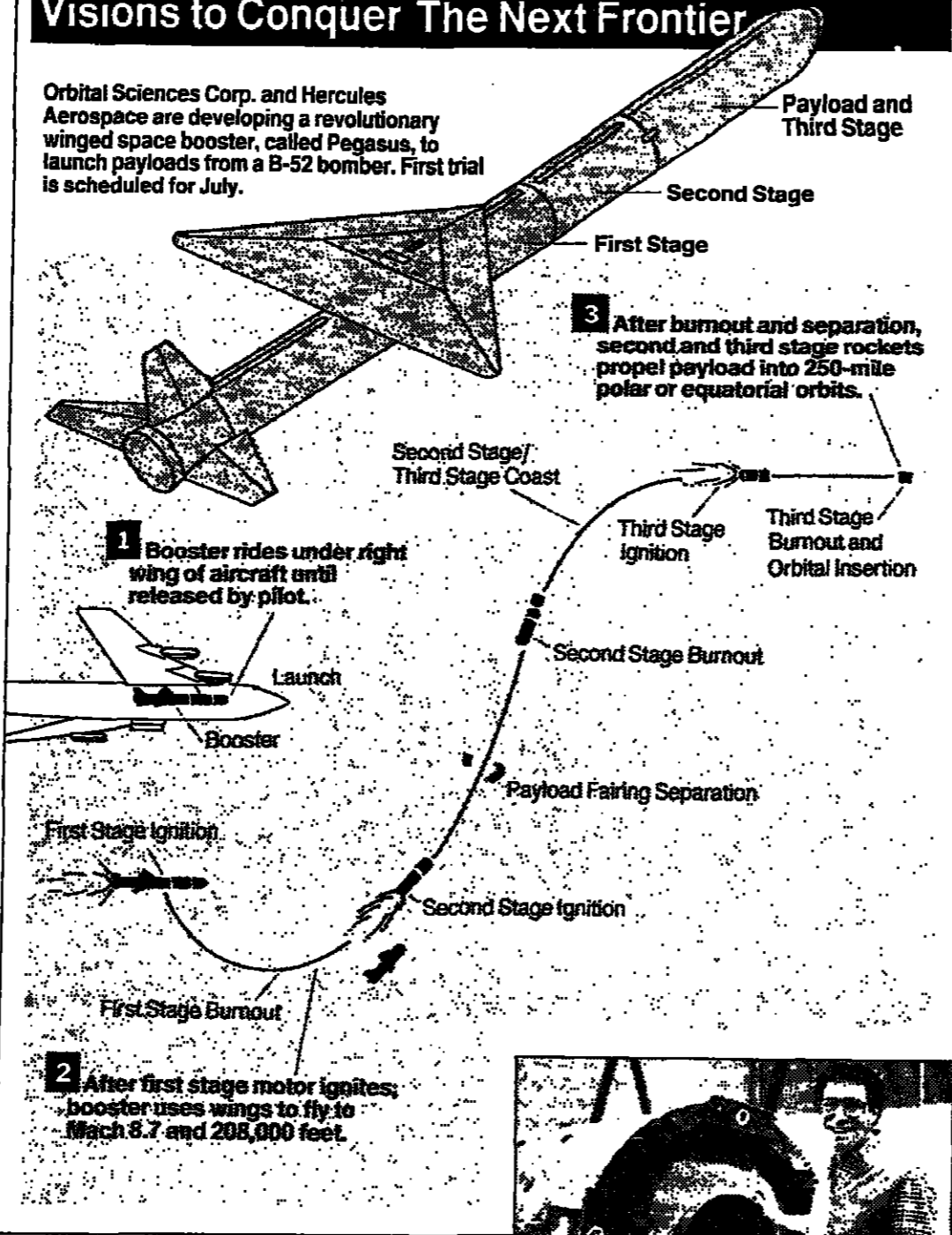
The Chronar Corp. of Princeton, New Jersey, said its plant would be seven times larger than any existing power station of its type, which is called photovoltaic.

The plant will be built in partnership with Seawest Industries of San Diego.

The Chronar plant is expected to produce 50 megawatts, or 50,000 kilowatts, of power at peak capacity. That would provide enough power for typical usage in 25,000 homes.

Visions to Conquer The Next Frontier

Orbital Sciences Corp. and Hercules Aerospace are developing a revolutionary winged space booster, called Pegasus, to launch payloads from a B-52 bomber. First trial is scheduled for July.



George Koopman's novel hybrid engine will power Amroc's small satellite launcher, known as the Slingshot, in its first orbital test next year.

Space — New Frontier For U.S. Entrepreneurs

By Beth Karlin

LAST WEEK, France's Ariane-3 rocket launched into space carrying American-made satellites for two American communications companies. That is good news for the European Space Agency, which developed the rocket, but decidedly bad news for the United States, which has fallen far behind in the space race.

Ever since the glory days of the Apollo lunar landings, the United States has desperately been trying to regain momentum. And the explosion of the space shuttle Challenger in 1986 virtually brought the National Aeronautics and Space Administration (NASA) program to a halt and left U.S. firms without launching facilities.

But a new breed of space entrepreneur is trying to set things right by doing what they think U.S. industry does best — using the free enterprise system to develop leading-edge technology.

"The future of capitalism depends on whether we make the best use of space," said Arthur M. Dula, a Houston space lawyer, entrepreneur and student capitalist. And right now the United States is so far behind, he contends, that the only way for many American companies to get into space is on Soviet missiles.

As a result, Mr. Dula founded Space Commerce Corp., with the goal of providing payload capability on the Soviet Union's Proton commercial launch vehicle. The Soviets seem to like the idea. The U.S. government is less keen, since so far it is unwilling to allow U.S. technology to fly on Soviet rockets.

"The question," Mr. Dula said, "is will our government allow the Russians to be capitalists?"

Indeed, he and other businessmen believe that space is the new capitalist frontier. With aid from private investors and venture capitalists, they are laying the groundwork for the commercialization of space.

"We are pioneering the trail for entrepreneurs in space," said David W. Thompson, president of Orbital Sciences Corp.

OSC is building booster rockets that will send space vehicles to the far reaches of the solar system. And it recently unveiled a winged launch vehicle, known as Pegasus, that will be fired from a B-52 bomber in flight and shoot satellites weighing up to 1000 pounds (455 kilograms) into orbit. The winged booster is being developed with Hercules Aerospace for launching in July 1989.

Other firms hope to follow OSC into space. For example:

- Space Services Inc. of America Inc. is selling payload capability on rockets originally developed for the military.
- American Rocket Co. has developed a hybrid en-

gine that will power a specially designed expendable launch vehicle.

• Orbital Transport Services Inc. hopes to shoot launch vehicles off a mountaintop electronically.

• Spacehab Inc., with help from Acristalia and McDonnell Douglas, is making cabins that will carry experiments aboard the shuttle.

Others are developing zero-gravity Laboratory facilities that they expect to lease to the governing agencies and private businesses that want to do materials research and other experiments in space. The potential benefits of R&D in gravity-free environments are enormous.

Scientists say that they can grow larger and better quality crystals to create new pharmaceuticals and

Businessmen lay the groundwork for the commercialization of space.

electronic materials. They can blend substances that would normally separate in Earth's gravity, including gallium arsenide and other materials for high-performance semiconductors.

Houston-based Space Industries Inc., for example, has designed an orbiting mini-space station that would house scores of experiments. Over the long term, the station could be expanded to become an orbiting laboratory.

"The country could use a rent-a-platform like ours until it gets its space act together," said Joseph P. Allen, Space Industries executive vice president and a former astronaut. The lab only costs \$500 million to \$700 million, compared with up to \$25 billion for the NASA space station.

And Colorado-based External Tanks Corp. (ETCO) wants to lease real estate in space by converting the shuttle's used 15-story liquid fuel tanks into living and working quarters.

"We expect to open up space to the general public," said Thomas F. Rogers, ETCO chairman.

Even NASA has begrudgingly approved the commercialization of space.

"The government clearly recognizes that space is a new frontier and — like the expansion of the American

Continued on page 10

EC Expands High-Tech Program

By Robin Herman

PARIS — Europe's Esprit program, which is the European Community's main effort to become competitive with the United States and Japan in information technology development, will begin its second phase this fall with the disbursement of 780 million ECU (\$876 million) to 158 high-tech projects.

They range from a project to develop a new generation of high-speed "bipolar" chips for telephone systems and supercomputers to a project on computer systems for running appliances in the home.

The European Commission has set an overall budget of 3.2 billion ECU for Esprit II of which half will be contributed by the participating organizations and half will come from the EC budget over the five-year life of the program.

This is more than double the money spent on phase one of Esprit (the European Strategic Program for Research and Development in Information Technology) which ran from 1984 to 1988.

The idea behind Esprit is to bring together Europe's disparate information technology companies, each operating in national isolation. To qualify for Esprit funding, a project must involve at least two industrial partners from two member states. And the project must concern pre-competitive research on products for the commercial market, not research just for research's sake.

"When Esprit started, the companies didn't really talk to each other," said Neil Mitchison, a spokesman for the European Commission. "They talked to their counterparts in America, and that was all."

Now there are signs of budding European alliances. For example, the bipolar chip project — at 80 million ECU the largest Esprit II venture — involves five of the major European players in the field, West Germany's Siemens AG and AEG Telefunken, the Dutch-based multinational Philips NV, the British company Plessey PLC and the Italian-French venture SGS-Thomson.

The Commission reported that it was overwhelmed with applications for Esprit II funds and ended up accepting one out of four proposals submitted by European companies, research institutes and universities. It had

There are signs of budding alliances.

planned to hold back most of the Esprit II funds in anticipation of a second call for proposals next year, but changed its mind.

Citing the high quality of the projects accepted, the industrial commitment backing them and the urgency of the proposed work, the Commission decided to spend right away almost half of the 1,600 ECU in community funding available. That means less money for projects coming along later.

Despite Esprit's seeming largesse, the projects selected in this round are getting far less funding than they wanted — about one-sixth of the total money requested.

The current plan is to have a restricted call for proposals just in microelectronics in the spring of 1989 and another general call in late 1989.

The Commission has also allocated a token 65 million ECU in EC funds toward its first call for basic research proposals.

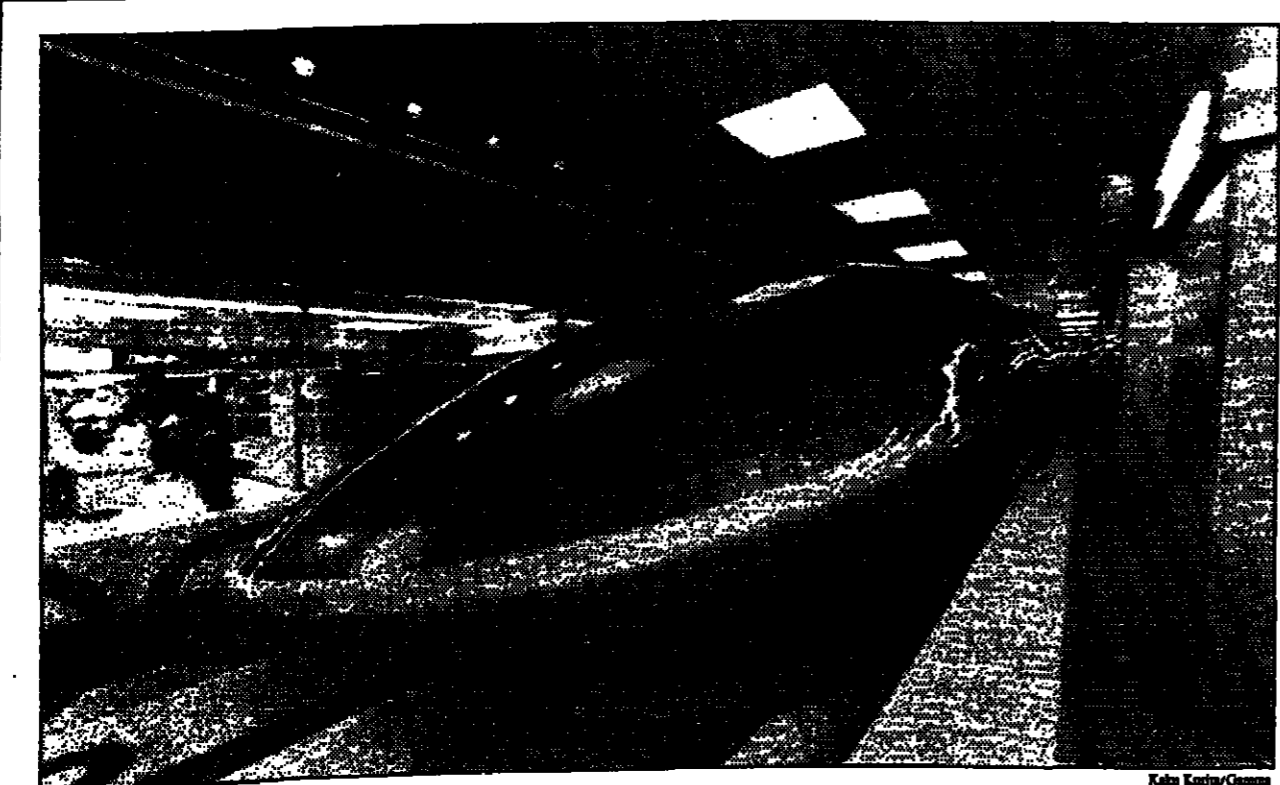
"Up until now, Esprit was only concerned with pre-competitive research aimed at the market," said Mr. Mitchison. "The object of Esprit has not been to add to the sum knowledge of mankind."

However, the Commission realized it had to address research not aimed at the commercial market in order to increase the currently inadequate supply of Europeans with high-tech research skills. And it also became apparent that basic research underlay many of the projects proposed for the Esprit program. Information technology is developing so rapidly that there is a very short lead time from basic discoveries to commercial applications.

According to the Commission, there was a huge oversubscription of basic research proposals, forcing an even more competitive situation than in the regular industrial portion of Esprit II where three-fourths of the researchers were turned away.

One factor in the crush for basic research funding is undoubtedly the fact that, while the European Commission sees a need to increase spending in this area, some of its member nations, notably Britain, are slashing their national budgets for basic research. Cut out of national programs, researchers are turning to Esprit to make up the difference.

ROBIN HERMAN is a journalist based in Paris.



Japan Develops High-Speed Magnetic Train

Japan is hoping its new magnetic train, which has hit 517 kilometers per hour in a test run, will be the fastest passenger train in the world. The train would be able to make the Tokyo-Osaka run, now a three-hour ride by bullet train, in an hour. Page 8.

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Technology

Japan's Hopes Riding High on Magnetic Train

By David Tracey

TOKYO — For the developers of Japan Rail's new high-speed train, the Linear Express, powerful superconductive magnets that float the train 10 centimeters (3.9 inches) in the air make all the difference in power and speed.

By comparison, West Germany's Transrapid train rises only one centimeter above the track. And, according to Hiroumi Sojima, the head of Japan's bullet trains who rode the Transrapid along a 31.5-kilometer (20-mile) test track, that is not enough, although he found "the ride quality was good."

Yoshiyuki Kasai, executive director of the construction project for the Linear Express, agreed. "One centimeter is not enough," he said. "We think 10 centimeters is necessary to allow for the margin of error during operation."

He added that this was particularly true in Japan with its soft ground and frequent earthquakes.

The Linear Express is the most ambitious among several magnetically-run trains being developed in Japan. Besides riding higher than the Transrapid, the Linear Express is faster. Some day, Japan Rail officials hope, it will be the fastest passenger train in the world, recapturing the title for Japan.

France took the speed record from Japan five years ago with its high-speed TGV (train à grande vitesse), running at about 270 kilometers per hour. An unmanned Linear Express hit 517 kilometers per hour on its 7-kilometer test track in Miyazaki Prefecture in 1979, a record that still stands.

The basic concept of the Transrapid and the Linear Express is the same. The Transrapid uses the attraction between magnets, the Linear Express uses their repulsion. The main difference is that the Japanese magnets use superconductivity, a new technology in which energy is transferred without a loss.

The West Germans also experimented with superconductive magnets, but eventually rejected them for a simpler, less-expensive design. Superconductivity works only at extremely low temperatures, so the Linear Express must carry helium-filled coolers.

The Germans say our system is too heavy and expensive," said Mr. Kasai. "But it isn't. The coolers weigh only 40 kilograms (88

pounds) each. And the magnets may be expensive now, but that's because they're experimental models. If we build a lot of them, the price will come down."

The advantage to superconductive magnets is power and speed — or 10 centimeters and 517 kilometers per hour. The magnetic pull on the Linear Express is so strong, in fact, that it has stopped the watches of some passengers. Developers say the problem will be solved soon and stress that the train has no harmful effects on people, including one test passenger in Miyazaki who wore a pacemaker.

Japan Rail wants to run the Linear Express on the crowded Tokyo-Osaka route, which is now a three-hour ride by bullet train. The magnetic train would make it in an hour.

A network of noiseless, pollution-free trains — both attractive features in a crowded country where the trains run almost through people's backyards — could change the urban culture of Japan, allowing commuters to live far from the cities where they work.

The Japan Rail group, a consortium created when the Japan National Railways was privatized last year, is ready to build the line as soon as someone comes up with the 3 trillion yen (\$21.9 billion) it would cost. Japan Rail officials say the line would run at a profit within five years.

Even though the design is still being worked out, Yoshihiro Kyotani, whose work on the Linear Express began in the early 1960s, says the minor adjustments needed can be done on

a commercial line. "We don't need another test track. We should be doing this as a business now. If we can't sell the trains, why build them?" he asked.

Other Japanese projects include the High Speed Surface Transport (HSST), a non-superconductive system originally developed by Japan Air Lines technicians using old airplane parts. An HSST official said that they are promoting the system abroad but have not yet found any takers.

A Tokyo subway line now under construction will use a third design in which magnets propel the train along a track, not above it.

DAVID TRACEY is the Tokyo correspondent for Pacific News Service.



Software Made Easy For Senior Executives

By Sherry Buchanan

LONDON — Chief executives and other senior managers don't like using computers, the argument goes, because they are computer illiterates. They are too impatient to put up with computers breaking down, and they find typing demeaning and prefer to get their secretaries to do the work for them.

Yet companies that have developed executive-friendly software believe that senior executives prefer computerized data to stacks of paper and reports if they can have quick and easy access to them.

Worldwide sales of Executive Information Systems (EIS) are less than \$50 million a year but analysts say the market is growing fast.

"Executive Information Systems are one of the major software breakthroughs," said Robert Berland, IBM vice president of vendor and development operations. IBM just signed an agreement with Comshare, one of the leading EIS companies, to market its software, Commander, in the United States.

Another market leader is Pilot of the United States and more Executive Information Systems companies are coming into the market. Metaprix of Britain, a management consulting firm specializing in the information requirements of board-level management, also sells an executive-friendly software called Resolve.

Although individual features of Executive Information Systems are very different, they all give executives instant access to charts and graphs of financial data from a company's subsidiaries and divisions around the world.

Metaprix is run on a PC floppy disk system, the other two are hooked to mainframes so the data are automatically updated. One of Pilot's most interesting features is that executives can ask "what if" questions and get an instant answer from the computer, whereas Metaprix's software, Resolve, is a "read only" program.

To get senior executives to use the computers, two of the market leaders, Pilot and Comshare, said they chose touch screens over keyboards and voice-activated computers. Metaprix uses a remote control device to activate the computer.

W. Robert Widener, chief executive of the Intelligent Office Company, Ltd. in London, said that executives would in no way "demean themselves to talk to a computer." His company sublicenses Pilot's software in Britain where it is being used by BP Exploration, Shell U.K. Exploration & Production, Rolls Royce and Imperial Chemical Industries (ICI).

"Touch screens are just right for executives.

They are used to pointing the finger, it permits them to retain control and keeps the computer docile. When a computer talks back, it's not docile," he said.

Mr. Widener took two U.S. chief executives to the Spatial Data Laboratory at the Massachusetts Institute of Technology in Cambridge, Massachusetts. It has a voice-activated computer that responds "Yes, sir," to the start-up command: "Wake Up." According to Mr. Widener, the chief executives got very nervous.

"All our senior executives using Pilot have touch screens, the only time they need the keyboard is to enter their password and they don't even like doing that," said Richard Minton, decision support manager at ICI Group headquarters in London. "They can get arm ache if they are on the screen for too long, but they tend to use it for only short periods of time (five or 10 minutes) for instance before a meeting."

ICI has 30 senior executives using Pilot, including five of the seven board members, some general managers and senior professionals. Mr. Minton said it has been a success, but board members and senior professional managers use it more than general managers do probably because they have less staff to delegate to.

TO DATE, ICI senior executives can get on their screens the company's monthly, quarterly and annual reports as well as stock market quotations updated every two hours, economic indicators, daily business news and financial data on ICI's competitors.

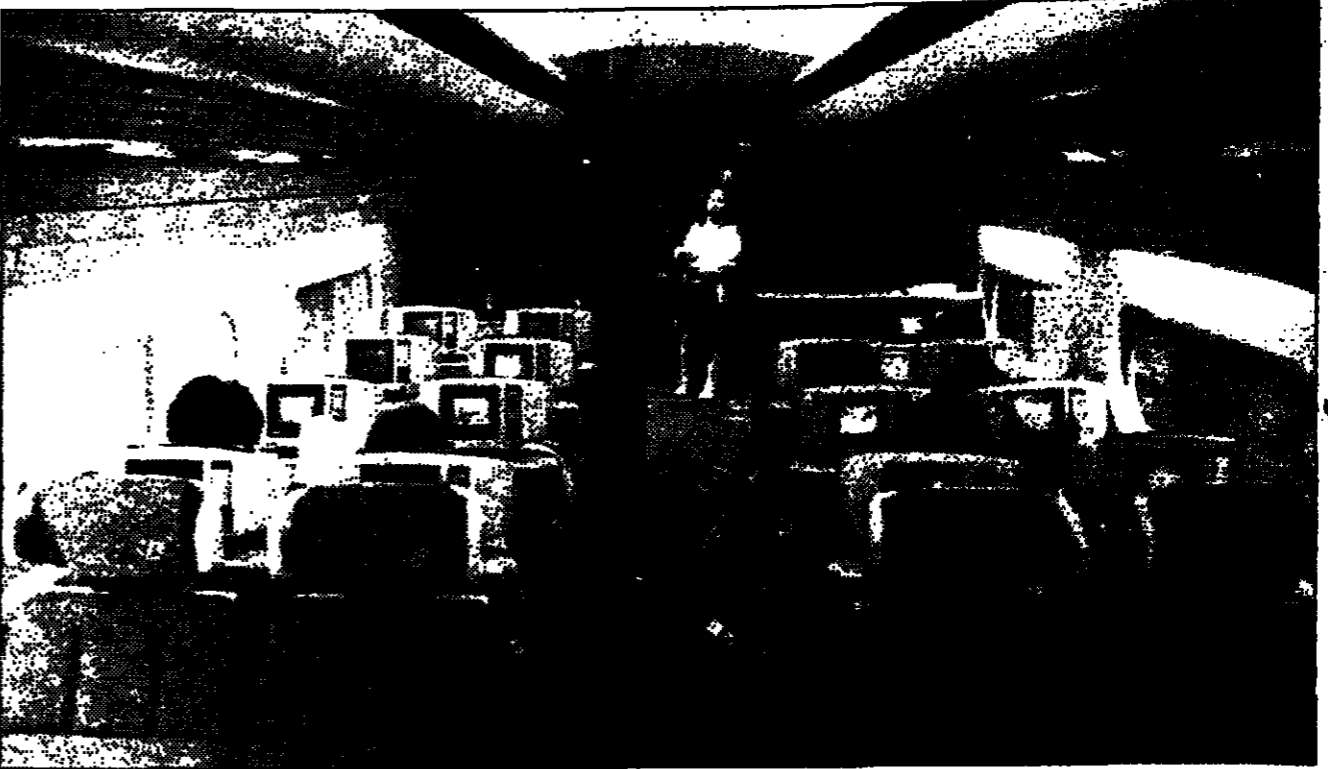
Some companies mainly use the graphic computer displays during boardroom meetings.

"With Resolve, there is no doubt who has control of the meeting: the guy holding the command," said Stephen B. Lyus, business development manager at Metaprix.

Metaprix says that having figures and graphs from one data bank being displayed on a big screen during board meetings cuts down the time board directors spend arguing about whose figures are right. But this can make some executives, who would rather hide less than brilliant results, nervous.

Senior executives who use Executive Information Systems also worry about confidentiality. At one large British company, one senior manager is so concerned about it that he keeps trying to crack the system to make sure that it is foolproof. So far, he hasn't been able to.

SHERRY BUCHANAN writes the International Manager column for the International Herald Tribune.



Future passengers on Japan's magnetic trains will have reclining seats, individual television sets and telephones.

West's Garbage — A Growing Burden for Third World

By Barry James

PARIS — One of the problems facing the International Solid Wastes and Public Cleansing Association as it meets this week in squeaky clean Copenhagen is that of aiding the Third World to cope with a rising tide of muck from Western nations.

The circuitous voyage of the waste-carrying ship Karin B has focused attention on the fact that the countries receiving shipments of increasing amounts of difficult-to-treat hazardous waste from industrial nations are precisely the countries that are least likely to have the technical expertise or the capital reserves to deal with the problem.

The West German-registered Karin B is now on its way to Italy with a 2,800-ton cargo of chemical waste from Italian industrial plants that had earlier been dumped by unscrupulous operators in a field near Koko in Nigeria.

Acting with rare resolve, the Nigerian government seized an Italian freighter and its crew as hostage and threatened to break off diplomatic relations unless the waste was removed.

Italian authorities have failed in their attempts to land the waste in their own country or elsewhere in Europe, and there is some

question as to what will happen to the Karin B when it arrives in Italian waters.

Another ship, the Syrian-registered Zanobia, has been tied up in Genoa harbor all summer after traveling half way around the world with a cargo of Italian chemical waste and finding no takers. Opposition in Italy has prevented the cargo from being unloaded there for treatment.

Regulations adopted both by the industrialized countries belonging to the Organization for Economic Cooperation and Development and the European Community prohibit the export of hazardous waste unless it is directed to an "adequate disposal facility."

But what is meant by "adequate," "disposal" and "facility" all leave room for interpretation.

Disposal can mean any of a number of techniques ranging from simple storage above ground to complex fluidized bed and rotary kiln incinerators costing tens of millions of dollars and requiring a highly trained work force.

Inevitably, a storage facility in the Third World is more likely to be an open field than a complex incinerator. The cost of disposal reflects the disparity in facilities and can range from \$3 a ton or less in some parts of West Africa to \$3,000 a ton in an incinerator plant in an industrialized country.

As a result, dumping in the Third World is popular with countries such as Italy that lack adequate disposal facilities of their own, while at the same time providing debt-ridden developing countries with a source of hard currency income.

According to David Rapoport, international waste trade campaign coordinator for Greenpeace, "each waste shipment to the Third World is a potential time bomb." By accepting waste shipments, he said, developing countries risk creating environmental disasters that will put the \$100 million Love Canal cleanup in the United States into the shade, and which they will be ill equipped to deal with.

The cargo brought back from Nigeria, for example, contained PCBs, chemicals used in the electrical industry that can produce dioxin unless carefully incinerated at consistent high temperature.

"The real problem," Mr. Rapoport said in a telephone interview from New York, "is to put pressure on industry to carry out their processes in a way that does not produce waste."

"The strategy of developed countries has always been that of disposal, and their history has always been one of finding some place else to put their waste. The new place is the Third World. We would have hoped the industrialized world could help the developing countries develop new techniques rather than lead them

to make the same mistakes we have been making. It is certainly ironic that a lot of places the waste is headed these days do not have the infrastructure to deal with any of its ramifications."

Harvey Yakowitz, an environmental adviser to the OECD, said new advances are being made in high temperature incineration, recycling and physical and chemical treatment of hazardous waste. Because these advances are beyond the financial reach of developing countries, they are unlikely to be built where they are needed unless industrialized nations in developed nations build them as turnkey operations in exchange for a share of the capacity.

For example, West Germany says it needs an additional 10 integrated plants to be able to cope with the disposal of its own hazardous waste, at a cost of up to 200 million Deutsche marks (\$111 million) a plant.

"You can install 30,000 tons of rotary kiln capacity for about \$50 million," said Mr. Yakowitz.

Responding to the growing awareness of the threat posed to the Third World by other peoples' garbage, the United Nations Environmental Program in Paris has begun to offer courses to waste managers in developing countries.

BARRY JAMES is on the staff of the International Herald Tribune.

Advertisement for GeAmatics showing a map of Europe with various communication network names like ISDN, LAN, WAN, and GATEWAY overlaid. The GeAmatics logo is prominently displayed in the center.

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Technology Computers

Electronic 'Cadavers' Created to Help in Teaching of Anatomy

By Lawrence K. Altman

NEW YORK — In a novel approach to teaching the intricate details of human anatomy, some U.S. medical schools are experimenting with advanced computer-imaging techniques to create electronic "cadavers."

Students can 'dissect' electronic images.

patients who is wrong with their body or what will be done during surgery. Computers may also be helpful in teaching high school and college students about the body, and they may eventually help surgeons design new operations.

Dr. Robert A. Chase, whose team at Stanford University has developed a pioneering electronic cadaver.

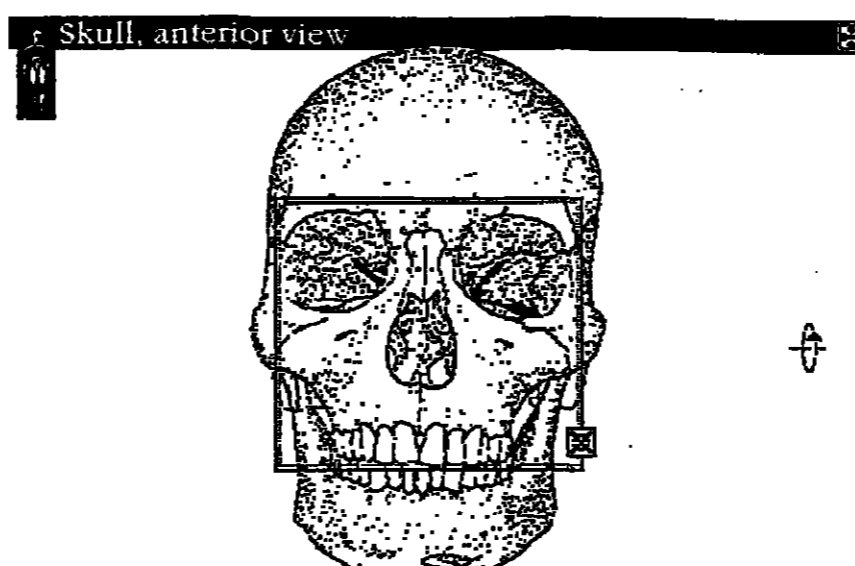
One reason is that there is no substitute for discovering for oneself how the layers of the body are constructed and for learning the feel of human tissue.

At Stanford, the electronic cadaver has been used on a limited basis in its developmental stages to teach anatomy to medical students. The system can print out pages from the screen, in essence providing a printed text.

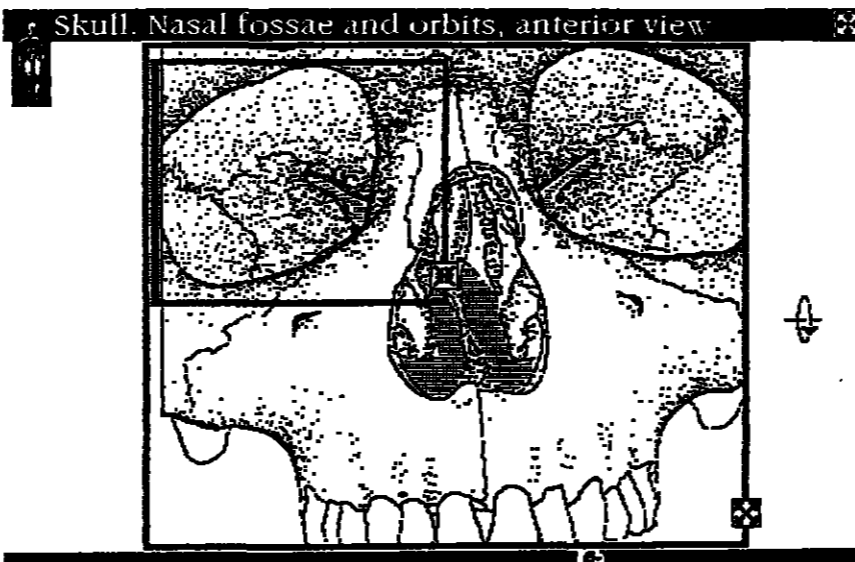
Many medical schools have halved the number of hours devoted to anatomy lessons to make time for the explosion of scientific knowledge from molecular biology and other subjects. Thus, the schools are being forced to find more efficient ways to teach anatomy.

Laboratories face additional pressure in the form of U.S. regulations, Dr. Kelly said. The laboratories are now required to monitor fumes from the formaldehyde used in embalming cadavers; studies indicate formaldehyde may cause cancer.

MEANWHILE, the demand for human cadavers has increased in recent years, as surgeons try to devise new operations and researchers increase their efforts to understand the anatomical effects of certain diseases.



Printouts of the computer graphics displayed on the screen show how the student can zoom in on the anatomy of the skull in finer and finer detail.



rate, but because they are limited in number, "we have a long way to go" before they can be fully manipulated. At the University of Washington, Dr. Rosse said his team's goal is to develop the highest quality image before designing systems to teach anatomy.

New Software Boosts Computers' 'Literacy'

By John Markoff

NEW YORK — The ability of computer programs to read a printed page accurately, including both text and graphics, and store the page's contents in a computer is improving rapidly, and the cost of the software is dropping.

Known as optical character recognition systems, the technology has the potential to push word processing and the handling of documents to new levels of sophistication. It could make it possible to convert quickly and inexpensively large amounts of printed documents to computer storage.

But inexpensive and powerful 32-bit microprocessors and the development of new software are bringing potent new OCR technologies within the \$800 to \$2,500 range.

Recently, the Caere Corp., a Los Gatos, California, company that has manufactured bar code scanning products, announced a new page recognition system called Omnipage. It is available for Apple Macintosh computers as a software program and for IBM-compatible machines as a system that works with a plug-in co-processing circuit board.

The Palantir Corp., which has sold a \$30,000 OCR system intended for large corporate users, will soon announce a low-cost version of their system for IBM and compatible personal computers. The cost of the Santa Clara, California, company's system is expected to be \$2,500.

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The makers of the newer systems suggest that the technology will spawn a host of new uses. For example, a company that would otherwise throw away most of the hundreds of resumes it receives could use an OCR system to scan each resume in about 30 seconds and store it on a computer disk for later reference.

The new systems will also make it possible to send a typed or type-set document by facsimile machine and then convert the data automatically to text for editing.

Some researchers, however, are cautious about the impact of the new page recognition systems. "The history of OCR is that people have been saying that it would take off for some time, but it hasn't yet," said Richard Casey, a computer scientist who specializes in document recognition systems at IBM's Almaden Research Center in San Jose, California.

THESE SYSTEMS relied on a technique referred to as matrix-matching. Each character of a document is compared with a template stored in a computer's memory. The approach works best when limited to a single font of one size.

In the late 1970s, increased computing power made it possible to apply pattern recognition technologies to the problem of recognizing text. This approach looks for characteristic features of a particular letter or number.

For example, the software can be trained to recognize the pointed tip of the letter A. This approach extensively broadened the number of fonts that could be recognized, but was susceptible to defects in characters—a break in an o, for instance, might make that letter read as a c.

The Caere program will first look for key areas on a page and then apply tests to determine if these areas are graphics instead of text. It then tries to recognize individual columns, paragraphs and line spacing. Only after determining where each character lies on the page does it identify the individual characters.

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Space — New Capitalist Frontier

Continued from page 7

frontier last century — private industry will play an important role," said James T. Rosse, assistant administrator of NASA's office of commercial space programs.

Peter E. Glaser, vice president at Arthur D. Little Inc., predicted: "As companies build up the infrastructure necessary to exploit the solar system's inexhaustible supplies of energy and raw material, expect to see the startup of such businesses as the Celestial Food Supply Co. and Orbital Power and Light."

Mr. Thompson wasn't thinking of the money-making potential in 1972 when he launched his first rocket. Then a high school senior, Mr. Thompson designed and built a six-foot (1.8-meter) rocket with accommodations for one — a monkey named Alpha. For the half-mile trip, Alpha was attached to electronic equipment that monitored his vital signs and relayed the information back to Mr. Thompson.

And now he has one. OSC already has designed, sold and begun manufacturing upper-stage booster rockets that will transfer payloads from a low Earth orbit to the far reaches of the solar system. In 1992, OSC's Transfer Orbit Stage (TOS) launch vehicle will put NASA's Mars Observer on a five-and-a-half month trajectory to Mars.

American Rocket (Amroc) and Space Services — two fledgling rocket companies — have a long way to go before they become profitable. Although they are still trying to line up their first customers, both firms are convinced they will become the no-frills delivery services of the future.



Betty J. Davis and Bob G. Davis of the EPrime Aerospace Corp.

Private Firm to Launch Rocket

A LITTLE rocket set to be lofted in a few weeks from an old government launching pad on the Florida coast marks the start of the new era in private space ventures.

This first rocket, scheduled for launch on Oct. 6 by EPrime Aerospace Corp., is only 14 feet (4.2 meters) long and carries a small array of experiments, some intended to develop new materials for industry.

The rocket will not place its payload into orbit but will fly in a high arc over the Atlantic Ocean. The materials-processing experiments will occur during the coasting phase of the flight. After a minute or so of near-weightlessness, the payload capsule is to be lowered by parachute into the ocean for retrieval.

it needs considerably more to be able to make regular deliveries in space. Amroc's hybrid engine, a modern incarnation of 50-year-old technology, consists of solid-fuel rockets that are sprayed with liquid oxygen just before launch. This avoids the instability of mixing two combustible fuels.

EPrime, now a public company, has only 25 employees. Bob G. Davis is president. His wife, Betty J. Davis, is a director and secretary treasurer.

"It takes 6,000 people to launch a shuttle, 200 to launch a Delta or an Atlas, but it only takes 25 to launch our largest solid-fuel rocket," Mr. Davis said.

The company negotiated with the U.S. Air Force to use launching pad No. 47 at the nearby air force station in what a company statement calls as "the first commercial launch from Cape Canaveral by a company without any government affiliation."

It is paying the air force about \$6,000 for use of the launching pad and other support services.

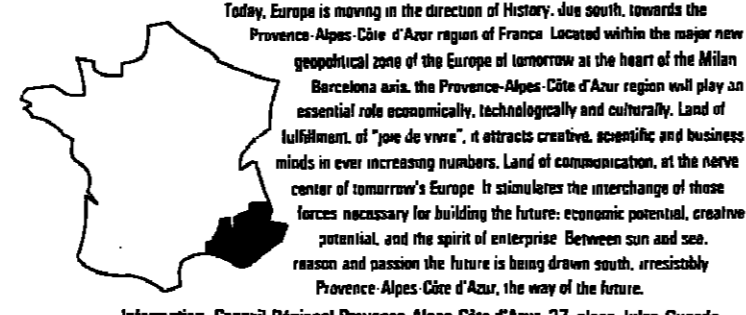
BETH KARLIN is assistant managing editor of Electronic Business.

Soviet Artists Unpaid in Soviet... A Str...



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ARTS / LEISURE

Soviet Artists Unpaid

Suit Threatened In Sotheby's Sale

By Gary Lee
Washington Post Service

MOSCOW — The Soviet artists whose works were sold for hundreds of thousands of dollars in an auction organized here by Sotheby's two months ago have received no compensation from the sale and are threatening to sue Soviet cultural officials for withholding the money.

The Soviet Ministry of Culture received payment for the paintings shortly after the July 7 auction but is now giving various explanations for the delay in passing the proceeds on to the painters. In separate conversations, Sergei Popov, a senior official at the ministry, has told some of the artists that the terms of payment are being "reconsidered" and told others that checks from Sotheby's were delayed.

The ministry has also indicated that the rate of exchange to be used for ruble payment to the artists is now likely to be a fifth of the rate agreed upon in a bargaining session with the artists before the auction.

Popov said that checks from the buyers, who include the pop star Elton John and some of the world's wealthiest art collectors, "are just coming in and take a long time to go through the process."

After a stormy meeting last Thursday, 11 of the artists sent letters to the Soviet Ministry of Culture, saying that they would file a suit if they do not receive payment from the auction within a week.

"This is a ridiculous act of banditry on their part," said Ira Nakova, 33, who sold three paintings at the auction for \$20,000.

The meeting, called in the studio of the Soviet painter Ilya Kabakov, was attended by a wide range of young painters on the Soviet art scene, including Vadim Zakharov, Sergei Volkov and Igor Kopynskiy. Kopynskiy and his wife Svetlana each sold paintings to John for \$75,000 each at the Sotheby's auction, among other sales.

The ministry signed contracts with each of the artists before the Sotheby's auction, promising them that by Sept. 7 they would receive 10 percent in Western currency and 60 percent in rubles for each painting sold. The remaining 30 percent was to be paid to the Ministry of Culture. In addition, Sotheby's received an auction charge paid by the buyers. The auction was conducted in British pounds and payments were made promptly in that currency, according to Sotheby's officials.

In a meeting held a few days before the auction between officials from Sotheby's and the Ministry of Culture, the artists received an oral guarantee that the 60 percent they were due to receive in Soviet rubles would be at the unofficial golden ruble rate averaging between 2.8 and 4.2 to the dollar. The official exchange rate is 0.62 ruble to the dollar.

During an interview late last week, however, Popov said that "all this talk about golden rubles was silly and whoever mentioned it is in error." He said that the final decision about compensation will be made by the Soviet Finance Ministry and indicated that the exchange rate to be used will probably be the official one.

For the artists involved, the decision to cut back on the rate of exchange will make a major difference in payment. Bruskin, for instance, who was originally slated to take home \$470,000 in Western currency and rubles for the sale of his paintings, would now take home less than \$100,000. "We were promised a special rate of exchange," Nakova said in an interview, "and that's what we expect. They cannot simply change the deal after we made it."



John Carlsie in RSC's "The Bite of the Night." Mostly vast boring tracts of impenetrable debate.

RSC's 4 1/2-Hour Biteless 'Night'

By Sheridan Morley
International Herald Tribune

LONDON — The Royal Shakespeare Company has long taken the view that a production which lasts four hours is somehow better than one which demands a mere two or three hours of our time. Even by their standards of longevity...

THE LONDON STAGE

ity however, the decision to allow Howard Barker's "The Bite of the Night" to sprawl over four and a half hours in the Barbican Pit seems to be careless and arrogant in the extreme.

Not only does a nearly-midnight final curtain show a wilful disregard for audiences with public-transport problems from an already inaccessible Barbican, it also assumes that Barker has a right to occupy rather more time than

"King Lear" with a script that, insofar as it could ever be saved at all, might at least benefit from a cut of at least a couple of hours.

These objections seem to have occurred to the author himself, since he gives us a prologue in which we are warned with nanny-like severity not to expect to enjoy ourselves, and a program note in which we are told not to expect much in the way of a message or even a coherent shape since his play is "as hard to hold as a broken bottle."

But most of us do not pay to have our hands or indeed our brains cut to shreds by fragments of glass or vast tracts of impenetrable debate about the role of Troy in ongoing classical and sexual mythology. Although it is possible that there might be a play or even an idea to be excavated somewhere from within this vast Trojan bore, the director, Danny Boyle, has singularly failed to unearth it.

A large cast, including John Carlsie, Michael Cadman, Nigel Terry and Diane Fletcher, is left to wander aimlessly around the ruins, desperately and futilely searching for some sign of dramatic life.

The recasting of "Follies" for its second year at the Shaftesbury brings us not only the legendary Eartha Kitt to sing "I'm Still Here," Stephen Sondheim's acid anthem to show biz survival, but more importantly brings Millicent Martin back to the West End stage for the first time in 12 years to rejoin her old "Side by Side" partner Julia McKenzie.

The result is an immense strengthening of a show which seemed to me more than a little

fragile when it first opened last autumn.

True, this is still not "Follies" as first seen on Broadway about 15 years ago, which is probably why it has now become such a huge commercial success. The original was a darker and more frightening account of marriages and minds in total breakdown, where now we have a gentler and brighter nostalgic trip in which a kind of middle-aged resignation and acceptance has overtaken the bleak anger of James Goldman's first book.

What is just wonderful here is the utter confidence that a large and very mixed cast now have in Sondheim's multi-level score. Daniel Massey has developed into the most interesting top-hat-and-tails star London has had since Jack Buchanan 30 years ago. And when the second half is not all about Eartha, it develops into a haunting account of the ravages of time on those who have either tried to bring it back or make it stand still.

For those who have always believed that Sondheim is the greatest living composer-lyricist of musicals, "Follies" is, alongside "Company," the quintessential show, never better than when turning nostalgia inside out to examine what happens to people in a time-war. McKenzie singing "Losing My Mind" is still the most heart-stopping moment to be found in any London theater, but where a year ago she was somewhat isolated in her Sondheim expertise the rest of Mike Ockrent's production has since grown up to her level. You now have no excuse in the world not to see it several times.

At the Royal Court, Timberlake Wertenbaker's "Our Country's

Good" derives from two recently published books, Thomas Kenally's "The Playmaker" and Robert Hughes's "The Fatal Shore," both of which touched on a remarkable first night in 1789 when Australian convicts in Australia staged George Farquhar's "The Recruiting Officer" in Sydney under the direction of a young lieutenant. (The Farquhar play is also in repertoire at the Royal Court with the same cast.)

"Our Country's Good" is about the contrast between performance and actuality. The strength of Wertenbaker's script lies in what it tells us about the appalling offstage life of the actors, but it also manages to comment on the play in rehearsal as seen through eyes rather different from those of the professional London players of the period.

At the Phoenix, Kenneth Branagh completes his Renaissance Company season by starring in Derek Jacobi's production of "Hamlet," which has also been seen on the ramparts of Elsinore itself.

Like the rest of his repertoire, this is a brisk back-to-the-text revival, simple and strong and uncluttered, still betraying its origins in a small studio setting but hallmarked by the intelligence of Branagh's brat-pack prince of Denmark and a fine, caustic, cynical Claudius from Richard Easton, one of the few senior members of a largely under-30 company.

Are Rap Concerts Getting a Bad Rap?

By Jon Pareles
New York Times Service

NEW YORK — In recent years, concerts of rap music have gained a reputation for violence. A recent concert on Long Island featuring Eric B. and Rakim, Kool Moe Dee, Doug E. Fresh and other rappers was the scene of robberies, stabbings and a homicide, violence that led authorities to ban some rap concerts.

The Long Island incident is also likely to make concert promoters and hall owners more leery than they are already about staging rap concerts. Even now, attending a rap concert is likely to mean entering by way of a cordon of police, a metal detector and a frisking, with more police and security guards stationed inside the hall.

Reports linking violence and rap tend to reinforce racial tensions, since rap, or hip-hop music, is identified with a young, black, urban audience although its listenership is growing increasingly integrated. But many performers, promoters and listeners believe it is simplistic and misleading, and perhaps racist, to equate rap and violent behavior. They cite violence at other large public gatherings, from soccer matches, hockey games, to heavy-metal and pop concerts, that is less widely reported than rap violence.

In the liner notes to a popular rap album, Boogie Down Productions' "By All Means Necessary," the rapper KRS-One (Kris Parker) writes: "When some get together and think of rap, they tend to think of violence. But when they are challenged on some rock group, the result is all silence."

There has been vandalism at concerts by Kiss and Slayer, in which an overwhelmingly white teen-aged audience tore apart Madison Square Garden seats to hurl cushions at one another. Most concert violence takes a handful of forms. They include property damage and fistfights between individuals, which promoters try to avert by strategically stationing security guards. There are also disturbances outside as ticketholders and gatecrashers try to get in. In 1979, at a

Who concert in Cincinnati, 11 people died of trampling or asphyxiation when a door was not opened as the fans surged toward general-admission seating. That experience has not ended unreserved or non-existent seating at rock concerts, and its attendant problems of overcrowding and turf battles.

Violence can also result when a crowd worked up by the music attempts to rush the stage. At a Michael Jackson concert in Liverpool, England, on Sunday, 40 people were hospitalized and 1,500 more were injured in a crush near the stage.

And violence can be a result of criminals at work, inside and outside the concert hall. Often, violence at rap concerts, as was reported on Long Island, results from assault and organized gang activity — predators who find the audience, out for a good time, an easy target. That kind of violence is not exclusive to rap; after the 1983 concert by Diana Ross — a concert of bland pop songs — in Central Park, gangs terrorized concertgoers and bystanders.

Hip-hop music itself rarely incites its listeners to anything but joy dancing, clapping and chanting along. One of the rappers at the

Long Island show, Doug E. Fresh, is a born-again Christian who devotes his raps to positive messages. Kool Moe Dee has built a persona as a comical braggart; he made his name with "Go See the Doctor," in which the joke was on him. And Eric B. and Rakim's main message is that "Eric B. Is King."

While some rap songs tell stories about the violent urban environment, that many performers and fans inhabit, few endorse violence. The music is more often comical and boastful than it is angry. Reports of violence at rap concerts and at rap movies like "Krush Groove" may be self-propagating, as concerts become associated with violence, violent people may be more drawn to them. The police-state atmosphere, too, already prevalent at rap concerts, can build tension inside and outside the concert hall.

And as rap draws young, black, urban listeners, it also draws those who would prey upon their own community, replicating the problems of poor urban neighborhoods against a backdrop of music that tries to exorcise those problems. Such predators are less conspicuous in a rap audience than they would be at a classical music concert.

The Long Island incidents still raise questions. How were knives passed through metal detectors? Were there enough trained security guards and policemen to handle the crowd, and where were they when a man was robbed and stabbed to death? Are there other precautions that can be taken against criminal activity at concerts and other public gatherings?

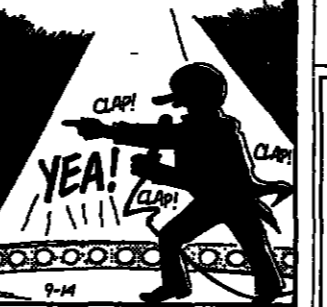
Promoters and rappers point out that most concerts take place without incident. At the exceptions, rappers and the majority of their audiences are more likely to be victims than instigators.

DOONESBURY

LADIES AND GENTLEMEN, THERE ARE SUPERSTARS AND THERE ARE SUPERSTARS, BUT THERE'S ONLY ONE SUPERSTAR'S SUPERSTAR!



LET'S BRING HIM OUT! LADIES AND GENTLEMEN, I GIVE YOU THE KING OF ROCK 'N' ROLL... MR. ELVIS PRESLEY!



THANK YOU! YOU'RE BEAUTIFUL! I LOVE YOU!



THANK YOU! YOU TOOK THEM ALL AT ONCE, DIDN'T YOU?



Ancient Tomb In Peru Found

The Associated Press

WASHINGTON — A 1,500-year-old tomb uncovered on the northern coast of Peru has yielded a rich collection of crafted gold and artifacts, the National Geographic Society announced Tuesday.

The tomb, officials said, was the burial place for a warrior-priest of the Moche people, a pre-Inca civilization that dominated the area from 100 A.D. to about the end of the seventh century.

"This is the richest tomb ever excavated archaeologically in the Western hemisphere," according to Christopher B. Donnan, an expert on ancient Peru. Peruvian officials said that the area near the village of Sipan may be the burial site for several Moche leaders.

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Delicacies specialties & traditional cooking. 1000-1100, 1200-1300, 1400-1500, 1600-1700, 1800-1900, 2000-2100, 2200-2300, 2400-2500, 2600-2700, 2800-2900, 3000-3100, 3200-3300, 3400-3500, 3600-3700, 3800-3900, 4000-4100, 4200-4300, 4400-4500, 4600-4700, 4800-4900, 5000-5100, 5200-5300, 5400-5500, 5600-5700, 5800-5900, 6000-6100, 6200-6300, 6400-6500, 6600-6700, 6800-6900, 7000-7100, 7200-7300, 7400-7500, 7600-7700, 7800-7900, 8000-8100, 8200-8300, 8400-8500, 8600-8700, 8800-8900, 9000-9100, 9200-9300, 9400-9500, 9600-9700, 9800-9900, 10000-10100, 10200-10300, 10400-10500, 10600-10700, 10800-10900, 11000-11100, 11200-11300, 11400-11500, 11600-11700, 11800-11900, 12000-12100, 12200-12300, 12400-12500, 12600-12700, 12800-12900, 13000-13100, 13200-13300, 13400-13500, 13600-13700, 13800-13900, 14000-14100, 14200-14300, 14400-14500, 14600-14700, 14800-14900, 15000-15100, 15200-15300, 15400-15500, 15600-15700, 15800-15900, 16000-16100, 16200-16300, 16400-16500, 16600-16700, 16800-16900, 17000-17100, 17200-17300, 17400-17500, 17600-17700, 17800-17900, 18000-18100, 18200-18300, 18400-18500, 18600-18700, 18800-18900, 19000-19100, 19200-19300, 19400-19500, 19600-19700, 19800-19900, 20000-20100, 20200-20300, 20400-20500, 20600-20700, 20800-20900, 21000-21100, 21200-21300, 21400-21500, 21600-21700, 21800-21900, 22000-22100, 22200-22300, 22400-22500, 22600-22700, 22800-22900, 23000-23100, 23200-23300, 23400-23500, 23600-23700, 23800-23900, 24000-24100, 24200-24300, 24400-24500, 24600-24700, 24800-24900, 25000-25100, 25200-25300, 25400-25500, 25600-25700, 25800-25900, 26000-26100, 26200-26300, 26400-26500, 26600-26700, 26800-26900, 27000-27100, 27200-27300, 27400-27500, 27600-27700, 27800-27900, 28000-28100, 28200-28300, 28400-28500, 28600-28700, 28800-28900, 29000-29100, 29200-29300, 29400-29500, 29600-29700, 29800-29900, 30000-30100, 30200-30300, 30400-30500, 30600-30700, 30800-30900, 31000-31100, 31200-31300, 31400-31500, 31600-31700, 31800-31900, 32000-32100, 32200-32300, 32400-32500, 32600-32700, 32800-32900, 33000-33100, 33200-33300, 33400-33500, 33600-33700, 33800-33900, 34000-34100, 34200-34300, 34400-34500, 34600-34700, 34800-34900, 35000-35100, 35200-35300, 35400-35500, 35600-35700, 35800-35900, 36000-36100, 36200-36300, 36400-36500, 36600-36700, 36800-36900, 37000-37100, 37200-37300, 37400-37500, 37600-37700, 37800-37900, 38000-38100, 38200-38300, 38400-38500, 38600-38700, 38800-38900, 39000-39100, 39200-39300, 39400-39500, 39600-39700, 39800-39900, 40000-40100, 40200-40300, 40400-40500, 40600-40700, 40800-40900, 41000-41100, 41200-41300, 41400-41500, 41600-41700, 41800-41900, 42000-42100, 42200-42300, 42400-42500, 42600-42700, 42800-42900, 43000-43100, 43200-43300, 43400-43500, 43600-43700, 43800-43900, 44000-44100, 44200-44300, 44400-44500, 44600-44700, 44800-44900, 45000-45100, 45200-45300, 45400-45500, 45600-45700, 45800-45900, 46000-46100, 46200-46300, 46400-46500, 46600-46700, 46800-46900, 47000-47100, 47200-47300, 47400-47500, 47600-47700, 47800-47900, 48000-48100, 48200-48300, 48400-48500, 48600-48700, 48800-48900, 49000-49100, 49200-49300, 49400-49500, 49600-49700, 49800-49900, 50000-50100, 50200-50300, 50400-50500, 50600-50700, 50800-50900, 51000-51100, 51200-51300, 51400-51500, 51600-51700, 51800-51900, 52000-52100, 52200-52300, 52400-52500, 52600-52700, 52800-52900, 53000-53100, 53200-53300, 53400-53500, 53600-53700, 53800-53900, 54000-54100, 54200-54300, 54400-54500, 54600-54700, 54800-54900, 55000-55100, 55200-55300, 55400-55500, 55600-55700, 55800-55900, 56000-56100, 56200-56300, 56400-56500, 56600-56700, 56800-56900, 57000-57100, 57200-57300, 57400-57500, 57600-57700, 57800-57900, 58000-58100, 58200-58300, 58400-58500, 58600-58700, 58800-58900, 59000-59100, 59200-59300, 59400-59500, 59600-59700, 59800-59900, 60000-60100, 60200-60300, 60400-60500, 60600-60700, 60800-60900, 61000-61100, 61200-61300, 61400-61500, 61600-61700, 61800-61900, 62000-62100, 62200-62300, 62400-62500, 62600-62700, 62800-62900, 63000-63100, 63200-63300, 63400-63500, 63600-63700, 63800-63900, 64000-64100, 64200-64300, 64400-64500, 64600-64700, 64800-64900, 65000-65100, 65200-65300, 65400-65500, 65600-65700, 65800-65900, 66000-66100, 66200-66300, 66400-66500, 66600-66700, 66800-66900, 67000-67100, 67200-67300, 67400-67500, 67600-67700, 67800-67900, 68000-68100, 68200-68300, 68400-68500, 68600-68700, 68800-68900, 69000-69100, 69200-69300, 69400-69500, 69600-69700, 69800-69900, 70000-70100, 70200-70300, 70400-70500, 70600-70700, 70800-70900, 71000-71100, 71200-71300, 71400-71500, 71600-71700, 71800-71900, 72000-72100, 72200-72300, 72400-72500, 72600-72700, 72800-72900, 73000-73100, 73200-73300, 73400-73500, 73600-73700, 73800-73900, 74000-74100, 74200-74300, 74400-74500, 74600-74700, 74800-74900, 75000-75100, 75200-75300, 75400-75500, 75600-75700, 75800-75900, 76000-76100, 76200-76300, 76400-76500, 76600-76700, 76800-76900, 77000-77100, 77200-77300, 77400-77500, 77600-77700, 77800-77900, 78000-78100, 78200-78300, 78400-78500, 78600-78700, 78800-78900, 79000-79100, 79200-79300, 79400-79500, 79600-79700, 79800-79900, 80000-80100, 80200-80300, 80400-80500, 80600-80700, 80800-80900, 81000-81100, 81200-81300, 81400-81500, 81600-81700, 81800-81900, 82000-82100, 82200-82300, 82400-82500, 82600-82700, 82800-82900, 83000-83100, 83200-83300, 83400-8

MADISON AVENUE
Advertisers Just Say Yes To Antidrug Campaign

By JONATHAN M. MOSES
 Washington Post Service

WASHINGTON — When the Frito-Lay Inc. executives in charge of Doritos corn chips wanted an advertising campaign that would get young people involved with their product, they shopped for an appealing cause. AIDS, literacy, teen pregnancy, homelessness: All seemed too narrow or too negative.

Doritos, whose principal consumers are families with teenagers, did research and finally settled on linking the chips with the campaign against drugs.

"The antidrug message is uniquely compelling to teens," said Beth Curran, senior product manager for Doritos. "It's also in the back of mom's mind when she goes to buy the product."

The Doritos campaign is just one of many multimillion-dollar advertising programs to seize on the almost universal appeal the antidrug message has gained. Although the drug problem is a highly political issue, the antidrug theme has a cachet that crosses all cultural and economic classes and carries few negative connotations, said advertising, marketing and antidrug experts.

For Doritos, the promotion cost \$2 million and entailed printing the "Just Say No" slogan on 120 million bags of chips. Less ambitious was Bob Catras Pontiac's billboard on Route 5 in Prince George's County, Maryland. The car dealer's message: "Kids, it's not cool to use drugs. But it's cool to work hard and study hard for that new car."

Critics see "cause-related" marketing as exploitation by business. But many other causes — among them Olympic teams, the Statue of Liberty renovation, the March of Dimes and the Red Cross — have teamed with businesses in advertising campaigns. The consumer activities that feature the antidrug theme range from promotions that directly link product use with charitable contributions to advertisements that carry an antidrug message sponsored by a particular company. Aside from Frito-Lay, which is a subsidiary of PepsiCo Inc., Procter & Gamble Co., MasterCard International, McDonald's Corp. and the First Interstate Bank of California have promoted the antidrug message.

While there are no estimates as to how much marketing is devoted to the theme, a full-scale national effort such as that of Doritos and MasterCard can cost several million dollars.

ADVERTISERS and some of the foundations involved in such arrangements appear satisfied with the results. They call it a "win-win" result: The advertisers make money and the foundation gets donations.

Other foundations and companies are beginning to pursue this type of antidrug effort. Hope for a Drug Free America plans to run a "back-to-school" antidrug campaign this fall with Scripto Inc., a manufacturer of writing implements.

Again this year, MasterCard plans a campaign in which it donates money to one of six causes — including an antidrug effort — for each use of its credit cards. Usage went up 25 percent last year as a result of the campaign, said Richard Woods, a company spokesman.

The First Interstate Bank of California found success with its antidrug activity, a spokesman said. Twice the usual number of accounts were opened during a time when it advertised that it would donate a dollar to Just Say No for every account opened.

There is dispute as to whether the product-linked antidrug ads actually work to keep people from using narcotics. The advertising industry has sponsored a Media Partnership for a Drug Free America, which designs commercials that only contain antidrug messages. Last year, that effort cost \$150 million.

Rivals Set Anti-IBM Venture

Internal System To Counter PS/2

Compiled by Our Staff From Dispatches

NEW YORK — A group of personal-computer makers launched a challenge to International Business Machines Corp. on Tuesday, announcing plans to jointly design an internal communications system that would help their machines compete with IBM's PS/2 models.

The companies said they would cooperate on a new 32-bit data bus, the central electronic components that route data through computers, as an alternative to IBM's Micro Channel Architecture, used in the more expensive IBM PS/2 models.

By keeping the Micro Channel's design secret, IBM has frustrated makers of computer, peripheral products and software that have specialized in making IBM-compatible computers.

The new bus will increase computer operating speeds but allow use of older peripheral equipment. Compaq Computer Corp. and others, including Hewlett-Packard Co., Tandy Corp., Olivetti & Co., NEC Corp. and Epson America Inc., announced the new bus. Also pledging support were Intel Corp. and Microsoft Corp.

The new bus, a series of the circuits that connect a computer's microprocessor with the other parts of the machine, would offer new capabilities while maintaining compatibility with 20 million personal computers already in use.

The first products using the new bus, called Extended Industry Standard Architecture, will begin to emerge in late 1989, said Rod Canion, Compaq's chief executive.

"I think it will be a problem for IBM," said Norman Weizer, an analyst at Arthur D. Little Inc. "I think IBM did misspess as to how closely its technology would be followed."

Even IBM has acknowledged that not all customers want its new Micro Channel. The cheaper members of its Personal System/2 line do not have it, and IBM unveiled another of those models Tuesday.

The micro machine will use the same microprocessor as IBM's old AT models, the Intel 80286.

"At the low-function end of the market, our performance hasn't been what we would want it to be," said William Lowe, president of IBM's entry systems division.

(AP, Reuters)



William Isaac, founder of Secura Group and former FDIC chairman, in his Washington office.

S&L Woes Spawn Cottage Industry

Busy Bankers and Regulators Turn to 'Thrift Doctors'

By Robert McGough
 New York Times Service

NEW YORK — There were days of intense negotiations that went on long into the night, and after it was all over, the most expensive rescue of a single U.S. savings and loan association was in place.

The Federal Home Loan Bank Board last week agreed to sell the nation's largest insolvent thrift association, the American Savings and Loan Association of California, to a group headed by Robert M. Bass of Fort Worth, Texas.

The Robert M. Bass Group went into the talks with a great deal of in-house legal and financial firepower.

But for its dealings with the bank board, it got what one person close to the talks called "extremely valuable" aid from an outside attorney, Norman Raiden.

The selection of Mr. Raiden was no accident. Between 1983 and 1985, he was the general counsel to the bank board.

Although Mr. Bass was in the limelight last week, it is Mr. Raiden, a partner in the law firm of McKenna, Conner & Cuneo, and others like him who are increasingly in demand behind the scenes.

As the crisis in the thrift industries deepens, overwhelmed bankers and regulators are relying more and more on the expertise of high-priced accountants, lawyers, bankers, investment bankers and former regulators.

Business has never been better for the people who might be called "thrift doctors."

"A lot of people are making a lot of money from the world of sick thrifts," said Richard Kneipper, who heads the financial institutions section of Jones, Day, Reavis & Pogue, a big law firm.

Thrift doctors are hired to help troubled institutions deal with regulators, craft operating plans and find merger partners or new capital. They also help investors find institutions to buy, appraise their values and propose deals to federal regulators.

Understaffed regulatory agencies like the Federal Home Loan Bank Board increasingly rely on See THRIFTS, Page 15

Big Gain Posted In Broad Gauge Of U.S. Trade

The Associated Press
 WASHINGTON — The deficit in the broadest measure of U.S. foreign trade narrowed sharply from April through June, despite the fact that America suffered the first deficit in 30 years in the category that includes investment income, the government reported on Tuesday.

The Commerce Department said the deficit in the current account shrank by 9.8 percent in the second quarter, falling to \$33.3 billion from a first quarter imbalance of \$36.9 billion.

The improvement was linked to rising merchandise exports. Although the services category slipped into deficit for the first time since 1958, the amount was a modest \$492 million, and revisions of the figures could erase that shortfall.

The current account is the most comprehensive of the government's trade statistics because it covers not only merchandise but also services, which primarily reflect the flow of investment earnings between countries.

For 16 of the last 17 years, the United States has run deficits in the merchandise trade category. But the current account registered a surplus as recently as 1981 because Americans' earnings on overseas investments were enough to offset the merchandise trade deficits.

In this decade, however, Americans have sent billions of dollars to foreigners in exchange for imported goods, transforming the country from the world's largest creditor nation, a status it held in 1982, into the largest debtor.

Reflecting that transfer of wealth, the government reported the country suffered a \$492 million deficit in the services category, which tracks the flow of investment earnings.

The deficit was a small one and could be revised away in future reports. In fact, the government services posted a deficit of \$655 million in the first quarter. That was changed in Tuesday's report, however, to show a \$1.4 billion surplus.

In the second quarter, the drop in the current account deficit reflected a huge decline in the merchandise trade category. The difference between what Americans import and what U.S. companies sell abroad dropped to \$29.9 billion, the highest quarterly improvement in five years.

The current account deficit of \$33.3 billion for the second quarter reflects the additional imbalance in services and the \$2.9 billion in U.S. foreign aid payments and pension payments made to Americans living overseas.

The current account gap for all of 1987 was a record \$153.96 billion. For the first six months of this year, the deficit has been running at an annual rate of \$140.5 billion.

Most economists are predicting a substantial narrowing of the current account deficit this year, reflecting the boom in export sales brought about by the drop in the value of the dollar.

But economists say the day is not far away when services will tumble into deficit and stay there for some time, reflecting American wealth that will have to be transferred overseas to pay interest on foreign investment in this country.

Many economists have warned that the debt service burden will eventually lower Americans' standard of living by reducing the amount of funds available in the country for government operations, business investment and individual consumption.

The U.S. government, however, has played down the significance of the record increase in foreign investment in this country, contending the debt servicing is still a tiny fraction of the country's overall gross national product.

The administration maintains that it is wrong to classify the United States in the same category as such large Third World debtors as Brazil, Mexico and Argentina. The administration argues that the foreign debt in Third World countries represents a far greater percentage of those countries' overall economic output and that the debt has been borrowed in currencies other than their own. The U.S. foreign debt can be repaid in dollars.

Currency Rates

Currency	Per \$	Per 100	Per 1000
London	1.645	164.5	1645
Paris	6.55	655	6550
Frankfurt	3.375	337.5	3375
Geneva	1.645	164.5	1645
Zurich	1.645	164.5	1645
Switzerland	1.645	164.5	1645
Japan	161.0	16100	161000
Hong Kong	7.8	780	7800
Singapore	7.8	780	7800
Taiwan	20.0	2000	20000
South Korea	180.0	18000	180000
Philippines	48.0	4800	48000
Indonesia	1500.0	150000	1500000
Malaysia	2.36	236	2360
Thailand	50.0	5000	50000
India	25.0	2500	25000
Pakistan	100.0	10000	100000
Bangladesh	80.0	8000	80000
Sri Lanka	200.0	20000	200000
Argentina	1600.0	160000	1600000
Brazil	270.0	27000	270000
Mexico	16.5	1650	16500
Colombia	2000.0	200000	2000000
Venezuela	200.0	20000	200000
Chile	800.0	80000	800000
Egypt	20.0	2000	20000
Israel	3.48	348	3480
Turkey	16.5	1650	16500
South Africa	13.75	1375	13750
U.S. Dollar	1.00	100	1000

Other Dollar Values

Currency	Per \$	Per 100	Per 1000
Australian	1.52	152	1520
Canadian	0.75	75	750
Swedish	4.6	460	4600
Norwegian	4.8	480	4800
Denmark	6.5	650	6500
West German	3.375	337.5	3375
French	6.55	655	6550
Italian	2000.0	200000	2000000
Spanish	166.67	16667	166670
Portuguese	200.0	20000	200000
Japanese	161.0	16100	161000
Hong Kong	7.8	780	7800
Singapore	7.8	780	7800
Taiwan	20.0	2000	20000
South Korea	180.0	18000	180000
Philippines	48.0	4800	48000
Indonesia	1500.0	150000	1500000
Malaysia	2.36	236	2360
Thailand	50.0	5000	50000
India	25.0	2500	25000
Pakistan	100.0	10000	100000
Bangladesh	80.0	8000	80000
Sri Lanka	200.0	20000	200000
Argentina	1600.0	160000	1600000
Brazil	270.0	27000	270000
Mexico	16.5	1650	16500
Colombia	2000.0	200000	2000000
Venezuela	200.0	20000	200000
Chile	800.0	80000	800000
Egypt	20.0	2000	20000
Israel	3.48	348	3480
Turkey	16.5	1650	16500
South Africa	13.75	1375	13750
U.S. Dollar	1.00	100	1000

Forward Rates

Currency	30-day	60-day	90-day	180-day
London	1.645	1.645	1.645	1.645
Paris	6.55	6.55	6.55	6.55
Frankfurt	3.375	3.375	3.375	3.375
Geneva	1.645	1.645	1.645	1.645
Zurich	1.645	1.645	1.645	1.645
Switzerland	1.645	1.645	1.645	1.645
Japan	161.0	161.0	161.0	161.0
Hong Kong	7.8	7.8	7.8	7.8
Singapore	7.8	7.8	7.8	7.8
Taiwan	20.0	20.0	20.0	20.0
South Korea	180.0	180.0	180.0	180.0
Philippines	48.0	48.0	48.0	48.0
Indonesia	1500.0	1500.0	1500.0	1500.0
Malaysia	2.36	2.36	2.36	2.36
Thailand	50.0	50.0	50.0	50.0
India	25.0	25.0	25.0	25.0
Pakistan	100.0	100.0	100.0	100.0
Bangladesh	80.0	80.0	80.0	80.0
Sri Lanka	200.0	200.0	200.0	200.0
Argentina	1600.0	1600.0	1600.0	1600.0
Brazil	270.0	270.0	270.0	270.0
Mexico	16.5	16.5	16.5	16.5
Colombia	2000.0	2000.0	2000.0	2000.0
Venezuela	200.0	200.0	200.0	200.0
Chile	800.0	800.0	800.0	800.0
Egypt	20.0	20.0	20.0	20.0
Israel	3.48	3.48	3.48	3.48
Turkey	16.5	16.5	16.5	16.5
South Africa	13.75	13.75	13.75	13.75
U.S. Dollar	1.00	1.00	1.00	1.00

Interest Rates

Rate-currency Deposits

Term	Dollar	DM	Franc	Yen	Mark	Yen	DM	Franc	Yen
1 month	8 1/4%	4 1/4%	3 1/4%	10 1/4%	7 1/4%	5 1/4%	7 1/4%	7 1/4%	7 1/4%
3 months	8 1/4%	4 1/4%	3 1/4%	10 1/4%	7 1/4%	5 1/4%	7 1/4%	7 1/4%	7 1/4%
6 months	8 1/4%	4 1/4%	3 1/4%	10 1/4%	7 1/4%	5 1/4%	7 1/4%	7 1/4%	7 1/4%
1 year	8 1/4%	4 1/4%	3 1/4%	10 1/4%	7 1/4%	5 1/4%	7 1/4%	7 1/4%	7 1/4%

Key Money Rates

Instrument	Rate
Discount rate	6%
Federal funds	8 1/4%
Call money	7 1/2%
3-month Treasury bill	7 1/2%
6-month Treasury bill	7 1/2%
1-year Treasury bill	7 1/2%
3-month CD	7 1/2%
6-month CD	7 1/2%
1-year CD	7 1/2%

Asian Dollar Deposits

Term	Rate
1 month	8 1/4%
3 months	8 1/4%
6 months	8 1/4%
1 year	8 1/4%

U.S. Money Market Funds

Fund	Assets	Yield
Merrill Lynch Ready Assets	\$1.5 billion	7.5%
Tulane Interest Rate Index	\$1.5 billion	7.5%

Gold

Market	Price
London	\$370.00
Paris	\$370.00
Zurich	\$370.00
New York	\$370.00
Amsterdam	\$370.00
Hong Kong	\$370.00
Singapore	\$370.00
Taiwan	\$370.00
South Korea	\$370.00
Philippines	\$370.00
Indonesia	\$370.00
Malaysia	\$370.00
Thailand	\$370.00
India	\$370.00
Pakistan	\$370.00
Bangladesh	\$370.00
Sri Lanka	\$370.00
Argentina	\$370.00
Brazil	\$370.00
Mexico	\$370.00
Colombia	\$370.00
Venezuela	\$370.00
Chile	\$370.00
Egypt	\$370.00
Israel	\$370.00
Turkey	\$370.00
South Africa	\$370.00
U.S. Dollar	\$370.00

IBM Might Join Venture With Jobs

By John Markoff
 New York Times Service

NEW YORK — Two bitter enemies in the computer industry have reportedly called a truce and are about to embark on an extraordinary joint business venture.

Steven P. Jobs, the former chairman of Apple Computer Inc., has entered into an agreement in which International Business Machines Corp. will share part of the technology in Mr. Jobs' long-awaited new computer, industry executives said.

The machine is to be displayed Oct.

Kroger May Restructure in Defense

Compiled by Our Staff From Dispatches CINCINNATI — Kroger Co. said Tuesday it was exploring a \$1.77 billion defensive restructuring that would plunge it into debt and force it to sell assets after the Haft family, known for its hostile takeover bids, won federal clearance to acquire a chunk of the biggest U.S. supermarket chain.

Traders said the rise was caused by speculation that the company would face a more generous takeover offer. Kroger's assets are worth \$50 to \$60 a share, analysts said.

British Gas Raid on Lasso Said to Fall Short of Target

LONDON — British Gas PLC, the big utility, mounted a stock market raid Tuesday on London & Scottish Marine Oil PLC, a North Sea oil exploration company, but ended the day with a much smaller stake than it was said to have sought.

British Gas, which has made three major exploration-related acquisitions since it was privatized at the end of 1986, sought a 14.9 percent stake in Lasso, as the exploration company is known, said market sources.

At Tuesday's close, which saw a massive rise in Lasso's share price, British Gas held a small stake in the company, according to the Hoare Govett Ltd. brokerage house, which carried out the buying on the utility's behalf. In morning trading, British Gas had picked up 1.4 percent of the stock, before the price soared, market sources said.

Lasso shares jumped 153 percent on the London Stock Exchange, to close at \$43 pence. The raid on Lasso started before the official opening, with Hoare Govett offering to buy the shares at 480 pence a share. Lasso was the most active stock, with 13 percent of the company's equity changing hands by mid-afternoon.

The Kroger statement also mentioned a Federal Trade Commission ruling Friday that allows the Hafts, corporate-takeover strategists based in Maryland, to acquire at least \$15 million worth of Kroger stock. The Hafts have unsuccessfully chased other supermarket chains and retail operations, but made huge profits in the process.

The FTC ruling was the first official sign of the Hafts' interest in Kroger. The commission's statement did not say how much stock the Hafts want to buy, and they declined to comment.

Kroger said its restructuring would involve substantial but unspecified bank loans, pay shareholders \$48 in cash and securities per share and allow them to keep their stock. Kroger has about 78.57 million shares outstanding.

Kroger's stock has traded heavily over the past five months, partly on rumors that the Hafts and other potential acquirers were interested in the company.

An analyst predicted that the Hafts would probably break up Kroger if they purchased it. "It's almost certain that they'll start dismantling the company and selling off its assets," said Gary M. Giblen, vice president at Rotam-Mosle, a Houston-based subsidiary of PaineWebber Inc.

Colgate Unit Is Sold for \$960 Million

NEW YORK — The management of Kendall Co., a subsidiary of Colgate-Palmolive Co., will lead a \$960 million leveraged buyout of the medical products concern, Colgate said Tuesday.

Kendall makes disposable medical products for doctors, hospitals and households. It had sales in 1987 of about \$850 million, representing 15 percent of the parent company's sales of \$5.63 billion.

Colgate said it would have more than \$700 million of after-tax cash proceeds from the sale, and would use it to reduce debt and to develop and acquire consumer products businesses.

Colgate said it received \$910 million in cash and debentures valued at \$50 million for Kendall. The transaction values Kendall at \$1.1 billion, Colgate said. However, Colgate said it would retain certain financial and business assets of Kendall, including real estate and some overseas consumer products businesses in other fields than health care.

Also, Kendall will retain certain short- and long-term debt related primarily to overseas operations. Colgate, which had announced in April that it planned to sell Kendall, said it anticipated the buyout would be completed during the fourth quarter.

THRIFTS: Expensive Specialists Assist S&L Bailouts

(Continued from first finance page) and present business plans to regulators. "The scope of the business plan as a regulatory device has grown substantially in the last three years," said David Smith, a founder of Kaplan, Smith & Associates, a subsidiary of the investment bank First Boston Corp.

"They do charge big prices," added Charles Williams, the George Gund Professor of Commercial Banking, emeritus, at the Harvard Business School. "They're outrageous by any standard except if you need them badly."

"If you've got money and need brain surgery," he added, "you pay \$80,000 for the best guy, not \$30,000 for the doctor down the block."

"But the spectacle of highly paid consultants profiting from a sick industry has drawn critics. "They all seem to live off the corpses," said Gary Bowser, a staff member with the House Banking Committee. If an institution cannot be revived, any money paid to a thrift doctor simply leaves less money for federal regulators to recover when they liquidate it, he said.

"After they pick over the bones, there's that much less for the deposit insurance corporations to recover," Mr. Bowser said. Thrift doctors acknowledged that some firms in the business take fees without caring whether they help their ailing clients.

"Are there a lot of people living like leeches off these 'brain-dead' institutions?" asked Mr. Kneipper. "I suspect that, unfortunately, the answer is yes."

William M. Isaac, founder of the consulting firm called Secura Group and a former chairman of the Federal Deposit Insurance Corp., tells a tale of a lawyer who accepted a deal, and a fat fee, to help a small ailing bank that could not be saved.

He said Secura had turned down the bank's request for help because it was so sick that nothing could be done to revive it. But then, he said "the bank went to an attorney next, and he accepted. It paid him \$75,000 — and then it failed."

Others said thrift doctors play key roles in restructuring ailing institutions, but not enough information is available to assess many of the deals. "The authorities are overwhelmed by the magnitude of the problem," said Edward Kane, a professor of economics at Ohio State University.

"The question comes down to how much information is around for assessing the deals," he said. "We can't assess how good or bad these bets are."

Nobody knows how large the industry is because it is so fragmented. But one indication is provided by the Federal Home Loan Bank Board, which said that in fiscal year 1987, it paid \$31.7 million for non-liquidation payments to outside law firms. Such payments are likely to rise this year.

Making Vans Together Should Save Money for Ford and Risk for Nissan

DETROIT — The joint minivan venture announced this week gives Ford Motor Co. an economical way to develop a new product and gives Nissan Motor Corp. a low-risk entry to a competitive market, industry analysts said.

existing plant, which builds full-sized Econoline vans. Nissan will be in charge of design and development of the vans, and it will supply engines from Japan.

Yoshio Arakawa, a Nissan board member, said in Tokyo that the U.S. market for minivans was expected to increase to an annual 1 million by 1992 from the 740,000 sold in 1987.

pay a 25 percent tariff that would be assessed on imported vans. He said the minivan may receive a boost from new Nissan models that are to be introduced in the United States beginning this year. In coming months, Nissan plans to introduce new versions of the 240 SX, Maxima and the Z sports car. Next year, it is to launch the Infiniti luxury car.

They said the Ford-Nissan deal was further proof that the U.S. auto industry was increasingly developing products aimed at a niche of the market rather than vehicles that will be high volume sellers.

"I think the primary attraction has to be that they defray the investment they would have to incur if they brought product out themselves," Mr. Laughlin said. Ford saves on the cost of research and development, he added, "and they don't have to sell a whole plant worth of vans."

Mr. Laughlin noted that Ford and Nissan would face heavy competition in the minivan segment. General Motors Corp. plans by 1990 to bring out a plastic minivan and Chrysler Corp. plans to restyle its popular models.

Mr. Phillipi said the joint venture shows that automakers are turning away from models that are intended to sell hundreds of thousands of units per year, and instead are developing more specialized products.

Ford and Nissan said Monday that they would build minivans at Ford's truck plant in Avon Lake, Ohio. The minivan model will be sold by each automaker in the United States beginning in autumn 1991, with Ford getting slightly more than half the output of 130,000 minivans per year.

The analyst said demand for minivans in the United States would probably continue to grow in coming years. Ford estimates that minivans, which took 12 percent of the truck market in 1987, will take 18 to 19 percent in the 1993 model year.

But from Nissan's point of view, said Tony Moyer, an analyst in Tokyo at SBCI Securities (Asia) Ltd., "There are no signs at the moment that Toyota Motor Corp. or the other Japanese manufacturers have plans to make minivans in the U.S."

The whole market is going more and more toward increasingly number of niche vehicles," Mr. Phillipi said. "To sell half a million of anything, beyond compact-sized cars, is almost impossible."

Low Krupp Profits Fuel Iran Sale Rumors

BONN — Lower profits at the West German steel giant, Fried. Krupp GmbH, are fueling speculation that Iran might sell a 25 percent stake in the firm that it bought 14 years ago.

For 1987 results. Unconfirmed reports in the West German press said that Mr. Navab was behind that action.

Yoshio Arakawa, a Nissan board member, said in Tokyo that the U.S. market for minivans was expected to increase to an annual 1 million by 1992 from the 740,000 sold in 1987.

Mr. Phillipi said the joint venture shows that automakers are turning away from models that are intended to sell hundreds of thousands of units per year, and instead are developing more specialized products.

According to West German press reports, Iran might sell out to one of Krupp's creditors. But it would get only around half of the 1.4 billion Deutsche marks (\$757.8 million) it paid for the holding in 1974.

Krupp's profits have tumbled recently. The operating subsidiary, Krupp Stahl AG, 70 percent owned by the group, last paid a dividend in 1974.

Iran, through the Iranian National Steel Co, also owns 25 percent of Krupp Stahl.

Mr. Navab has never denied that Iran may eventually sell. He said in June, "If a responsible and interesting party made an offer for the stake, then one could possibly talk about it."

A Krupp family trust run by Berthold Beitz, the supervisory board chairman, owns 74.99 percent of the year-earlier period to \$95 million (\$161 million), despite losses in its civil aircraft business.

The first-half result was slightly less than the £100 million profit anticipated by analysts, and does not take into account British Aerospace's acquisition of Rover PLC.

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Mr. Navab has never denied that Iran may eventually sell. He said in June, "If a responsible and interesting party made an offer for the stake, then one could possibly talk about it."

FIRST CONVERTIBLE SECURITIES FUND Société d'Investissement à Capital Variable 2, Boulevard Royal, Luxembourg. R.C. Luxembourg B-24461

ANNOUNCEMENT COMPAGNIE FINANCIERE SUCRES ET DENREES IS PLEASED TO ANNOUNCE THAT ITS SUBSIDIARY MERKURIA SUCDEN, LEADING FORCE IN THE COMMODITIES TRADE, IS TAKING STEPS TO STRENGTHEN AND DEVELOP ITS PRESENCE IN THE COFFEE AND FERTILIZER MARKETS.

MR. SERGE VARSANO, GROUP CHAIRMAN, STATES: "WE ARE PARTICULARLY GLAD ABOUT THIS JOINING OF FORCES AND ARE CONFIDENT THAT, TOGETHER, WE SHALL SWIFTLY REACH THE LEVELS OF SUCCESS IN COFFEE AND FERTILIZERS THAT WE ALREADY ENJOY IN SUGAR, COCOA AND RICE. WE SHALL ALSO LOOK FORWARD TO WORKING WITH OUR FRIEND MONTE KALAJI OF ALMUKAFA. HIS CONTRIBUTION WILL, I AM SURE, BE A MAJOR FACTOR LEADING TO THIS SUCCESS."

SHEARSON LEHMAN HUTTON, INC. GENEVA takes pleasure in announcing the relocation of its offices from: Place Longemalle 1 to: Route de Florissant 13 as of: SEPTEMBER 12th, 1988. Managing director: Fred MEYER

COUNTDOWN - EUROPE 1992 EUROPEAN AFFAIRS The European Magazine will mainly focus on Europe 1992 in the current Autumn issue

AUSTRALIA WE KNOW THE MARKETPLACE "Let's talk business" Neville Willis, Foreign Trade Desk Australia 45 Grenfell Street ADELAIDE SOUTH AUSTRALIA 5000 Phone: +618 212 6199; Fax: +618 212 7434 Telex: AAB8851

U.S. FEDERAL SECURITIES FUND S.A. Société Anonyme 2, Boulevard Royal, Luxembourg. R.C. Luxembourg B-22917 DIVIDEND NOTICE For the fiscal year ended May 31, 1988, a final dividend of U.S. \$0.503 per share will become payable on September 15, 1988, on the number of shares on record as September 1st, 1988.

B.A.I.I. MULTICURRENCY (S.I.C.A.V.) Siège social: 24 boulevard Royal - Luxembourg

Messieurs les Actionnaires sont priés d'assister à l'Assemblée Générale Ordinaire qui se tiendra le jeudi 29 septembre à 11 heures au siège social

USA INCOME PORTFOLIO Société d'Investissement à Capital Variable 2, boulevard Royal, Luxembourg R.C. Luxembourg B-24461

DIVIDEND NOTICE USA INCOME PORTFOLIO will pay an interim dividend of US\$0.541 per share on September 15, 1988 to shareholders on record on September 1st, 1988.

EUROPEAN AFFAIRS The European Magazine will mainly focus on Europe 1992 in the current Autumn issue Main topics: Agenda for Immediate Action Cor van der Klugt - President Philips

Maxwell Macmillan

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere.

Table with columns: 12 Month High/Low, Div. Yld. PE, etc. for various stocks.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Sept. 13, 1988

Large table listing various international funds with columns for fund name, share price, and other details.

Other Funds

Table listing other funds with columns for fund name, share price, and other details.

Floating-Rate Notes

Table listing floating-rate notes with columns for currency, rate, and other details.

Malaysia Central Bank

Buying Stake in Airline
KUALA LUMPUR, Malaysia — The government has announced plans to sell its 42 percent stake in Malaysia Airlines to Bank Negara, the central bank.

Mr. Mohar said about 21 percent of Malaysia Airlines' equity was held by foreigners. The Brunei Investment Agency is the largest single foreign shareholder in the airline, with a 10 percent stake, a stockbroker said.

The sale will be the second since the central bank of a holding in a government company. Bank Negara recently bought a 14.67 percent stake in Malaysian International Shipping Corp. from the government.

The plan, approved at a stockholders' meeting Monday, involves the sale of 147 million shares valued at \$93.45 million (ringgit \$359 million).

The chairman of Malaysia Airlines, Raja Mohar Badiozaman, said the divestment would allow the government to prepay loans. He said the government would retain a "golden share" that would give it a 51 percent voting right in the company.

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CURRENCY MARKETS

Dollar Advances in Light Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar firmed against major European currencies Tuesday, boosted by a report of a reduction in the U.S. current-account deficit and remarks by the Treasury secretary...

London Dollar Rates

Table with columns: Currency, Bid, Ask, and Source: Reuters. Lists rates for Deutsche mark, Pound sterling, Japanese yen, Swiss franc, and French franc.

the Commerce Department will use a new method of reporting the trade figures that is expected to reduce the deficit by about \$1.5 billion from the previous month.

The dollar rose to 1.8538 Deutsche marks at the close, from 1.8463 DM on Monday, but it edged lower against the yen, falling to 133.375 from 133.400 yen.

The dollar strengthened against the pound, which fell to \$1.6975 from \$1.6955.

Treasury Nominee Brady Sees No Need for New Taxes

WASHINGTON — Nicholas F. Brady, who was confirmed Tuesday by the Senate Finance Committee...

Mr. Brady, whose nomination must still be approved by the full Senate, also predicted a steady decline in the U.S. trade deficit in the next two to three years.

"I see no reason that at this moment in time why taxes have to be raised," he said. "I have faith that we can work it out."

international economic policy. The Group of Seven includes the United States, Japan, West Germany, Britain, France, Canada and Italy.

EC Bankers Begin to Study Money Union

Basel, Switzerland — European Community central bankers Tuesday took the first steps toward potential European monetary union...

Mr. Delors, chairman of the 17-strong committee on European monetary union which was set up by the 12 EC leaders at their summit in Hannover in June...

Dollar Moves Unlikely, But Loss Risk Remains

TOKYO — The dollar is unlikely to budget from its current trading range of 130.00-135.50 yen after the scheduled Wednesday release of U.S. trade data for July...

"The market is being affected more by negative factors than positive factors now," he added. Other dealers echoed these views.

The U.S. currency has been supported by the view that the differential between U.S. and Japanese interest rates will remain wide until the U.S. presidential election in November...

A poll of bank dealers showed that expectations for the July seasonally adjusted U.S. trade deficit averaged \$11.66 billion, down from a \$12.54 billion shortfall in June.

But the dollar's upward potential is seen limited to around 135.50 yen because of psychological factors, dealers said.

Despite Growth Surge, Bonn Faces Criticism From IMF

FRANKFURT — West Germany will be playing host to a series of monetary meetings in West Berlin later this month cheered by better-than-expected figures on the performance of its economy...

But economists said that Bonn may yet be criticized at the annual meetings of the International Monetary Fund and the World Bank for still not getting its policies quite right.

Just in time for the talks at the end of September, the Bonn government has released statistics showing that gross national product rose by 3.9 percent in the first half of 1988 over the same 1987 period...

The IMF and the Paris-based Organization for Economic Cooperation and Development.

Japanese Export Concerns

TOKYO — A senior Bank of Japan official expressed concern Tuesday about rising Japanese exports and a tightening labor supply in Japan.

Akira Nambara, director of the bank's research and statistics bureau, said both the volume and value of Japanese exports increased in recent months because the U.S. economy has been stronger than expected.

The recent weakness of the yen against the dollar is also stimulating Japanese exports, he said. The Finance Ministry reported Monday that Japanese exports on a free-on-board basis increased 18.2 percent in August from a year earlier, to \$20.8 billion.

They are still many operators who have long dollar positions around 136 yen, they will sell the dollar if it rises to 134-135 yen," said Hideshi Nakano, chief dealer at Nippon Credit Bank.

Tuesday's OTC Prices

NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Via The Associated Press

12 Month High Low Stock Div. Yld. PE 52 High Low 4 P.M. Close

Large table of OTC prices for various stocks, including AAPL, AMZN, and others.

Table of stock prices for companies like IBM, Microsoft, and others.

Table of stock prices for companies like AT&T, General Electric, and others.

Table of stock prices for companies like Ford, GM, and others.

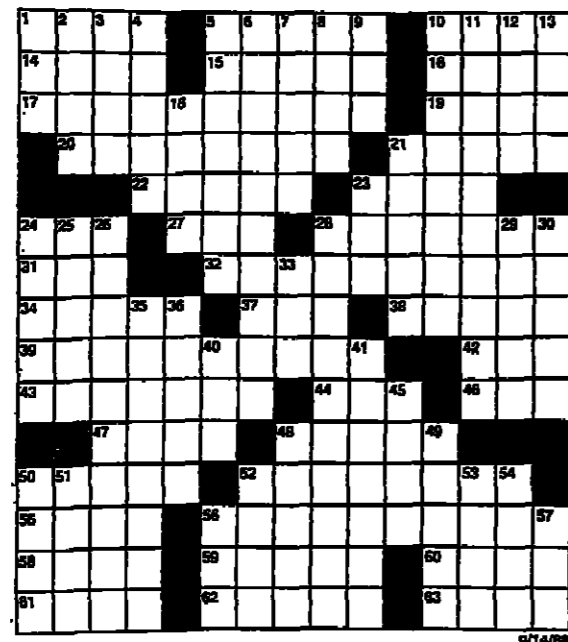
Table of stock prices for companies like Boeing, Lockheed Martin, and others.

Table of stock prices for companies like Intel, Sun Microsystems, and others.

Table of stock prices for companies like McDonald's, Coca-Cola, and others.

Table of stock prices for companies like Johnson & Johnson, Pfizer, and others.

Tuesday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.



ACROSS

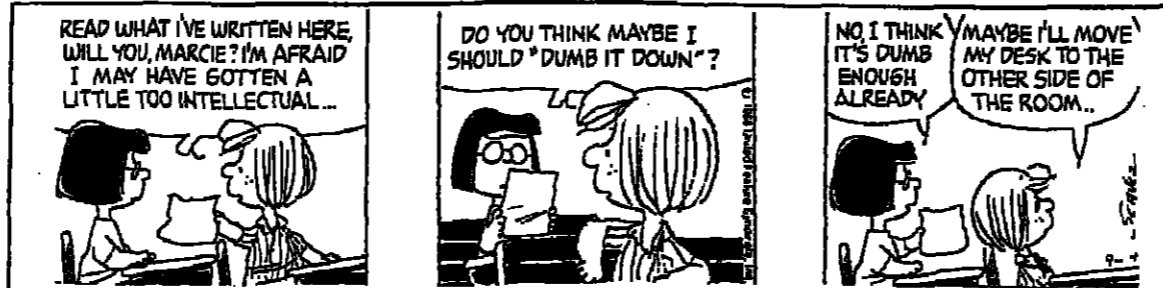
1 Chagall or Connelly
5 Reluse
10 "Mary" little...
14 Wings
15 Right-hand page
16 Primitive poetry collection
17 Came near
19 Mechanics' concerns: Abbr.
20 Less flighty
21 Soft, visorless cap
22 Stages
23 Phot
24 Retrain syllable
27 Lanka
28 Postures
31 Knock
32 Figure skater's maneuver
34 Drive forward
37 Teachers' org.
38 Pacific or Gold
39 The (brother-sister singing team)
42 Famous mummy
43 Actress Joyce and Sinterich
44 Clean-air org.
46 Unusual Oxford meas.

DOWN

1 Lea sound
2 Matterhorn
3 Engrossed
4 Op's daughter
5 N.Y.S.E. people
6 Dones
7 Pans partner
8 Gang follower
9 Back carrier
10 To this matter
11 Be grateful
12 Cupola
13 Helper: Abbr.
18 Dobbin fodder
21 Mel of animated cartoon fame
23 Jeanine d'Abbr., for one: Abbr.
24 Jilly
25 Hatter, Spanish style
26 Estimates
28 These may be lost in gyms
29 Follow
30 Seven, in Siena
33 Female ruff
35 Novel conclusion
36 Some consonants
40 Whom the ried raise
41 Least obese
45 Aida of "M*A*S*H"
48 Sufficent
49 A.L. home-run leader: 1944
50 Poker holding
51 Therefore
52 Rapier's relative
53 Gael's land
54 Cicatrix
56 Madison Ave. output
57 La Guardia abbr.

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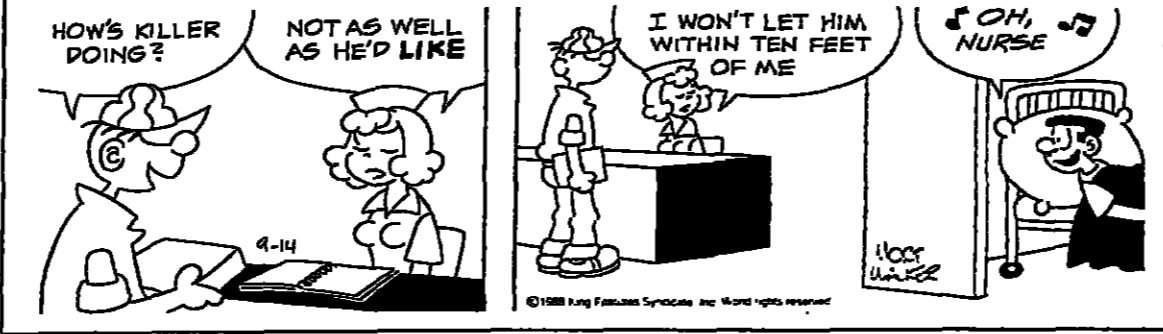
PEANUTS



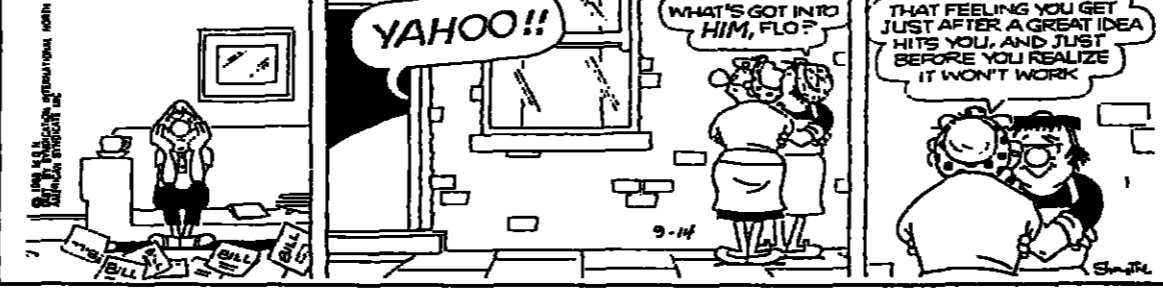
BLONDIE



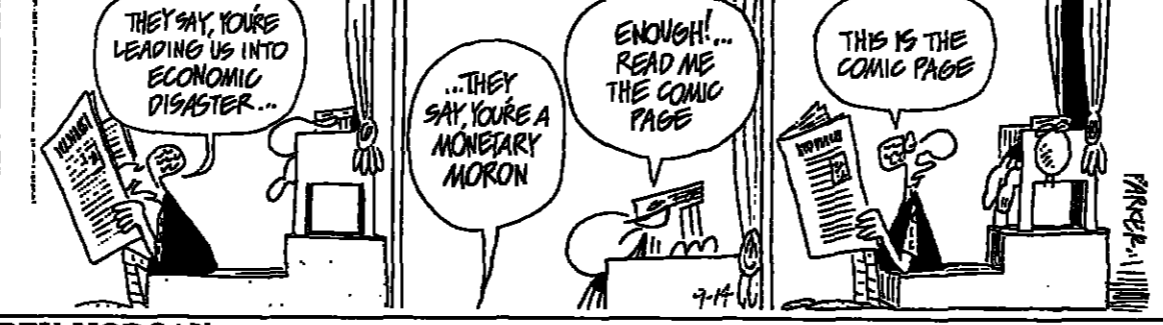
BEEBLE BAILEY



ANDY CAPP



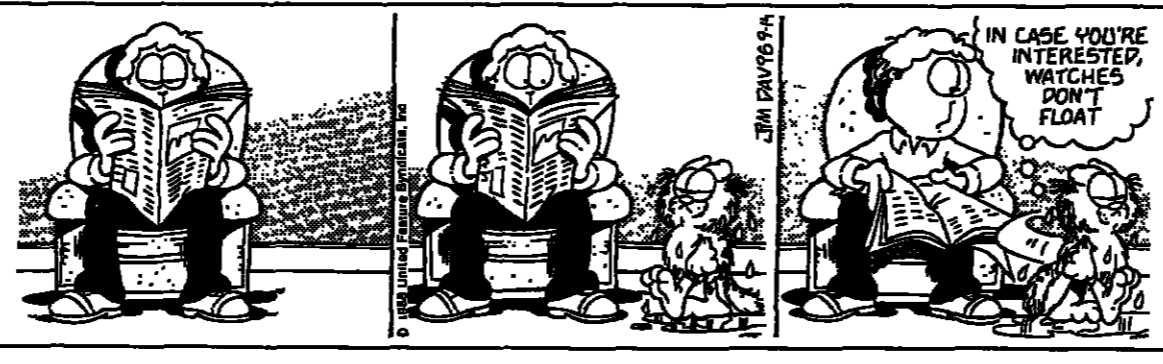
WIZARD of ID



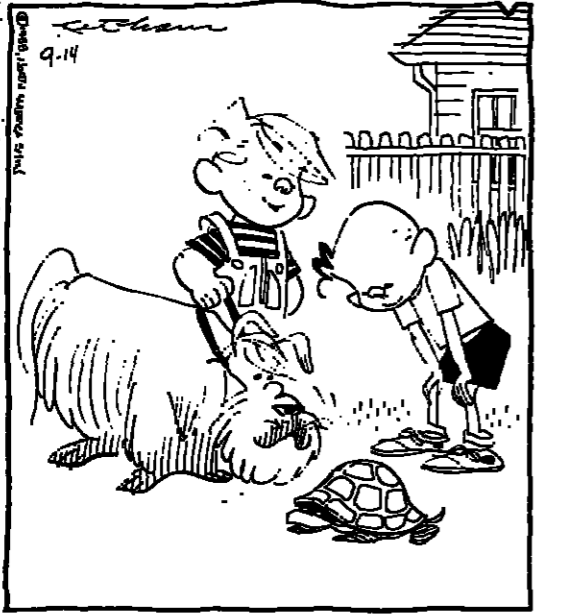
REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MUGMY
SCAMK
VERABE
RALCOR

What's got is the best grandpa of all

THE BEST LABOR-SAVING DEVICE.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

Yesterday's Jumbles: DROOP KETCH CAUCUS ENTICE
Answer: Some people think that a kid with too much money might benefit from a little of this—SPANK.

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Aberdeen	25	17	Beijing	27	11
Amsterdam	15	11	Bombay	31	24
Athens	22	15	Hong Kong	30	23
Berlin	18	12	Manila	30	23
Bombay	29	24	New Delhi	31	24
Buenos Aires	13	5	Shanghai	28	21
Calcutta	30	24	Singapore	31	24
Cardiff	15	10	Tokyo	22	15
Cebu	30	24			
Dublin	15	10			
Edinburgh	15	10			
Geneva	17	10			
Helsinki	15	10			
London	15	10			
Madrid	15	10			
Moscow	16	11			
Munich	15	10			
Nairobi	25	18			
Paris	17	10			
Prague	15	10			
Reykjavik	15	10			
Rome	24	17			
Stockholm	15	10			
Strasbourg	16	11			
Tientsin	25	18			
Warsaw	15	10			
Zurich	16	11			

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Sept. 13

Amsterdam	Brussels	Frankfurt	London	Madrid	Paris	Stockholm	Zurich
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BOOKS

PRIZZI'S GLORY
By Richard Condon. 256 pages. \$17.95.
E. P. Dutton, 2 Park Avenue, New York, N. Y. 10016.

Reviewed by Ross Thomas

If the debilitating and almost deadly earnestness of the 1988 presidential campaign is making you irritable and depressed, then a temporary restorative is at hand in the form of Richard Condon's witty and wicked novel about the Mafia's attempt to capture the White House in 1992.

Once again the indomitable Prizzi family is on the prowl — as it was in two of Condon's previous novels, "Prizzi's Honor" and "Prizzi's Family," which make up a trilogy — and this time its members are seeking not only immensurable wealth and power, but also that most elusive prize of all — respectability.

Back again is Charley Partanna, the slow-thinking but dogged vindicator or executioner of the family, who counts among his victims his wife, a free-lance executioner herself whose name he can now scarcely recall. The not exactly grieving widower finally marries Maerose Prizzi to whom he has been engaged off and on for 19 years. And it is the brilliant and cunning Maerose who convinces her grandfather, Don Corrado Prizzi, that only by entering the political arena itself will the family ever achieve true respectability.

The 92-year-old Don — who likes to offer cookies to his infrequent guests — decides that, if the plan is to work, his son Eduardo (who long ago changed his name from Prizzi to Price) must step down as head of the family's legitimate but mob-funded financial empire and run for president; lose, of course, and settle for some far lesser post such as attorney general.

Charley Partanna will then take over from Eduardo as head of the \$30 billion conglomerate. But to do this, he must clean up what the Don regards as Charley's embarrassing "past work." The only solution is a total metamorphosis, which eventually takes place in Switzerland and England where, with the aid of skillful surgeons, dentists and speech therapists, Charley emerges as Charles Macy Barton, indirect descendant of the man who founded the department store and the woman who founded the Red Cross.

He also emerges with a new and handsome face; new fingerprints; a new, carefully documented and memorized past, and a new voice that is "a combination of a Boston accent with

BEST SELLERS

The New York Times

This list is based on reports from over 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Rank	Title	Author	Weeks on List
1	THE CARDINAL OF THE KREMLIN	by Tom Clavin	1
2	TILL WE MEET AGAIN	by Judith Kerr	2
3	ALLSAY'S JAMES: A Mischance	by Tom Wolfe	3
4	THE BONFIRE OF THE VANITIES	by Tom Wolfe	4
5	DOCTORS	by Enoch Segal	5
6	SPOCK'S WORLD	by Diane Duane	6
7	DEMOM LORD OF KARANDA	by D.V. Sidransky	7
8	TO BE THE BEST	by Barbara Taylor Bradford	8
9	LIBRA	by Don DeLillo	9
10	LOVE IN THE TIME OF CHOLERA	by Gabriel Garcia Marquez	10
11	SHINING THROUGH	by Susan Isaacs	11
12	THE SHIELD	by Raymond Chandler	12
13	THE BOZ	by Brian Raworth with Jack Reilly	13
14	A TRIFLE OF TIME	by Tony Harrison	14
15	THE SENSE OF THE LABORS	by Thomas Harris	15
16	ZOYA	by Danielle Steel	16

NONFICTION

Rank	Title	Author	Weeks on List
1	A BRIEF HISTORY OF TIME	by Stephen Hawking	1
2	THE LIVES OF JOHN LENNON	by Albert Goldman	2
3	THE DUCHESSE OF WINDSOR	by Charles Higham	3
4	THE RAGMAN'S SON	by Kirk Douglas	4
5	TRUMP	by Donald J. Trump with Tony Danza	5
6	THE BOZ	by Brian Raworth with Jack Reilly	6
7	GENERALIZATION OF SWINE	by Elmer S. Thompson	7
8	TALKING STRAIGHT	by Lee Iacocca with Sonya Kenfield	8
9	SENATORIAL PRIVILEGE	by Leo Danowitz	9
10	THRIVING ON CHAOS	by Tom Peters	10
11	TRANSFORMATION	by Wunkey	11
12	RIDING THE IRON ROOSTER	by Paul Theroux	12
13	THE GOLDEN	by Gwendolyn Black	13
14	CHAOS	by James Gleick	14
15	FIREFIGHTERS	by Dennis Smith	15

ADVICE, HOW-TO AND MISCELLANEOUS

Rank	Title	Author	Weeks on List
1	THE 5-WEEK CHOLESTEROL CURE	by Robert E. Kowalski	1
2	ALL YOU CAN DO IS ALL YOU CAN DO	by A. L. Williams	2
3	ENGLISH: NINTH NEW COLLEGE DICTIONARY	by Webster's	3
4	SWIM WITH THE SHARKS WITHOUT BEING EATEN ALIVE	by Harvey Milk	4
5	CONTROLLING CHOLESTEROL	by Kenneth H. Cooper	5

BRIDGE

By Alan Truscott

THE Australian Inner-State Championships, an event with no American equivalent, closes on August 19, New South Wales, which has long been dominant, seemed likely to sweep the board but wound up in second place in all three events.

The Women's Team title went to Western Australia, which has independent representation. And Queensland, which has long been dominant, seemed likely to sweep the board but wound up in second place in all three events.

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Queensland gained 10mp.

The same contract failed in the replay.

Direction	Score
NORTH	4-2
EAST	4-1
WEST	4-0
SOUTH	4-3

THE BRIDGING

West	North	East	South
Pass	Pass	Pass	Pass
Pass	Pass	Pass	Pass
Pass	Pass	Pass	Pass
Pass	Pass	Pass	Pass

West led the spade five.

High	Low	J.P.M.	Op.
1000	1000	1000	1000
1000	1000	1000	1000
1000	1000	10	

SPORTS

Olympics Promise World-Record Performances in Track

New York Times Service
More gold medals, 42, will be awarded in the Olympic track and field meet than in any other sport in the Games. And if any of the last 18 months are any indication, many of them will go for new world records.

The American men could sweep the 200, the 400 and the 800-meter hurdles, and possibly the 100 if Ben Johnson of Canada is not running well.

He has also long-jumped the farthest, 28 feet 9 inches (8.76 meters). Besides Johnson in the 100, Lewis's biggest challengers will be some of his teammates, including Joe DeLoach and Calvin Smith in the 200 and Larry Myricks in the long jump.

100-meter world record to 10.49 seconds and set an American record of 21.77 in the 200, the fastest time of the year. Other American gold-medal contenders include Edwin Moses in the 400-meter hurdles and possibly the others in that event, Andre Phillips and Kevin Young, Johnny Gray at 800 meters; Roger Kingdom in the 110-meter hurdles; Willie Banks in the triple jump, and maybe Randy Barnes in the shot-put. Kingdom won his event in the 1984 Games; Moses, in 1976 and 1984.

1,500; only Paula Ivan of Romania has a better time this season. The East Germans, who won the most medals, 31, of any country at the world championships, may find it difficult to equal that number in the Olympics, but they will be impressive, especially the women. Drechsler is their foremost athlete, a likely medalist in the 400-meter race. She will probably also run the 100 and on the 400-meter relay team.

The East German male standouts are more likely to be Ulf Timmermann in the shot-put, Jurgen Schult in the discus (both world record-holders) and Torsten Voss in the decathlon. The Soviet team's strengths are Bubka, whose current world record, 19 feet 10 1/2 inches, came this summer; Oleg Protosenko in the triple jump; three hammer throwers, Yuri Sedykh, Jurj Tam, Sergei Litvinov; two discus throwers, Yuri Dumchev and Roman Ubartov; Natalia Litovskaya in the women's 800; Natalia Lisovskaya in the shot-put, and Chistakova.

favorite in the two events he plans to enter, the 800 and the 1,500, but will find formidable challenges in the 800 from Gray, Steve Cram of Britain and José Luis Barbosa of Brazil, and in the 1,500 from Cram, Peter Elliott of the United States and Abdi Bile, the world champion from Somalia, whose has been hampered by a sprained ankle most of the summer. Other individual standouts are likely to include Patrick Sjöberg of Sweden in the men's high jump, Ingrid Kristiansen of Norway and Liz McColgan of Britain in the 10,000, Jordanka Donkova of Bulgaria in the 100-meter hurdles, her teammate Stefka Kostadinova in the high jump and Rosa Mota of Portugal in the marathon.

As Its Soccer Declines, England Only Dithers

LONDON — What on earth is wrong with the English? The question echoes wherever soccer is discussed. England, you may recall, began the European Championship as second favorite to win and, after losing three consecutive games, left before the semifinals. It wasn't just a defeat. England's ranking was lousy. Skill for skill, the team belongs now to the second rank of quality sides in the world.

What amazes so many is that we English have forgotten how to lose with anything approaching honor. Where was the fight, the spirit, the running power that normally covers our technical inadequacies? 'Where was the good grace to admit that England, in the autumn of her glory, had been out-run by Irish cousins and beaten by Dutch and Soviet teams that were Europe's finest? Why can't the Brits do as everyone else must: study, adapt and humbly get back to the drawing board to try to avoid embarrassment next time around?'

So many questions. My viewpoint is not very patriotic. I see us still believing we are an island apart. A superior island at that. We didn't lose our empire, we liberated our colonies. We don't lose on the sporting fields because others are better, but because one or two officials let our boys down. When Great Britain brings home maybe five golds from Seoul, it will be because someone sent the wrong 384 athletes. Few will accept that five might truly reflect our sporting worth.

So it is with soccer, which we gave to the world, but now spend a depressing amount of time trying to get our ball back. When things go more wrong than usual the critics bay for a scapegoat. All summer the knives have been out for the team manager, Bobby Robson.

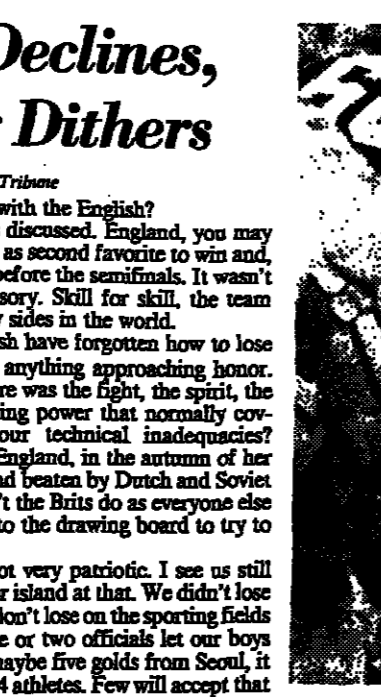
Now I am no apologist for the highly-paid Robson. He is an honest man, an enthusiastic man wrapped up in his job. The trouble is, he frets and the fear is transmitted to the players. His nervous disposition is on a par with that of Helmut Schön, the West German team trainer who taught us more about soccer than we'll ever learn elsewhere.

Schön's chronic foreboding made him a target before the 1974 World Cup. He had a stomach ulcer; he walked his pet dog in the woods "because he never criticizes." On the eve of the final in Munich, one newspaper filled its front page with Schön's profile, rain dripping from beret and a handgrip look. "Is this," asked the headline, "the face of a leader?" It was. Schön would, of course, have had a hard time losing with Franz Beckenbauer, Gerd Müller, Wolfgang Overath and so many other players like them.

There lies the rub for Robson. He doesn't have great players. The detractors calling for his head are those shouting that English league soccer is more feeble, less imaginative than ever.

Some say this winter-take-all philosophy goes back 32 years, to the summer of 1966 when England, dispensing with art for a strictly functional work ethic, won the World Cup on home soil. Alf Ramsey, "Old Stone Face," was manager in '66, and the victim when his team failed to repeat. The press likes to think it shot him down, though in truth a cankerous Football Association chairman got rid of Ramsey. After him, Don Revie, Ron Criswell and, for the last eight years, Robson were hired as interim managers to get the team to targets.

It's part of the job, part of soccer's self-defeating impatience. Spain didn't live up to expectations in June, either, so out went Miguel Muñoz, who had made his "boys" the European runners-up in 1984 and gotten them to the last eight of the 1986 World Cup. Luis Suárez, his assistant, jumped in salary from \$70,000 to \$240,000 a year. — But if the team loses we won't last two years, much less reap the eight of relatively anonymous security he has had with the Spanish federation.



Herschel Walker, although stopped this time, ran for 149 yards and a touchdown Monday night.

Walker Runs Cowboys Past Cardinals, 17-14

TEMPE, Arizona — Herschel Walker ran for 149 yards Monday night as the Dallas Cowboys won, 17-14, spoiling the regular-season home debut of the Phoenix Cardinals in the National Football League.

Dallas quarterback Steve Young completed 12 of 24 passes for 162 yards, with a 47-yard throw to Michael Irvin setting their team's first touchdown, with 4:35 left in the first half. A late hit by Leonard Smith moved the ball to the three, from where Walker ran around right end to score on the play.



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Walker Runs Cowboys Past Cardinals, 17-14

The Cowboys made it 17-7 on an 81-yard drive that ended with a one-yard scoring plunge by Fellsner with 5:23 left. Walker carried the ball on nine of the 13 plays in that march, gaining 58 yards.

The Cardinals, for the second straight week, out-gained their opponents, 396 yards to 352. However, the Cardinals again self-destructed, failing to score three times when they had the ball inside the Dallas 30. They also blew a chance to score when a fake field-goal attempt failed on the final play of the first half.



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Seoul Drops Move to Limit Long Parade

SEOUL — Olympic organizers said Tuesday after U.S. athletes had threatened a boycott if limits were imposed, that all athletes could march in the showcase parade at the opening ceremonies.

"Any athlete who wants to take part in the parade and ceremonies can do so," the Seoul Olympic Organizing Committee said. "It is their right."

The U.S. Olympic Committee and many of its 611 athletes were upset by what one of its officials said were plans to limit the parade to 8,000 marchers.

There have been limits placed on the number of marchers in previous Games but not so drastic. Robert D. Eppeseth, a member of the U.S. rowing team, earlier had said: "We're all going in there. Either we all march or none of us do."

A U.S. official said that to deny an athlete a chance to march in the procession would mean taking away "the culmination of the Olympic dream itself."

But later Tuesday the Seoul committee said it was all a misunderstanding. While acknowledging that it and the International Olympic Committee "have been looking at ways to reduce the time it would take to hold the largest ever parade of Olympic athletes and officials," it said that all athletes could march.

It said the maximum of 8,000 marchers was based on the number of athletes and officials scheduled to be in Seoul by opening day, Saturday. There already are almost 8,500 in the Olympic Village.

The International Olympic Committee adopted a resolution Tuesday under which anyone caught trafficking in illegal drugs could be banned from the Games for life.

About 60 percent of the tickets to the Games were sold by Tuesday, with gymnastics, judo, synchronized diving, swimming and cycling the most popular sports. The Associated Press reported from Seoul.

Baseball field hockey, canoeing and rowing had the most tickets available, the committee said. Baseball had 72 percent of its tickets unsold, field hockey and canoeing 66 percent, and rowing 62 percent.

Carter's Homer in 9th Beats Pirates, Making Mets' Magic Number 10

NEW YORK — Gary Carter hit a home run with one out in the ninth inning Monday night to give the New York Mets a 5-2 victory over the Pittsburgh Pirates, which reduced the Mets' "magic number" for clinching the National League East title to 10.

The Mets' fifth straight victory, and their 15th in 19 games, put them 11 games ahead of the second-place Pirates.

"They are the best team in the league," said the Pirates' manager, Jim Leyland. "Ask all the other managers. They will tell you the same thing."

Jeff Robinson, who relieved starter Doug Drake, got Howard Johnson to foul out on third base, but Carter hit his 11th homer this year and his 302d in the major leagues.

"I hit it on the sweet part of the bat," said Carter, hitting only 246 this season, with just 46 runs batted in. But, he added, when center fielder Andy Van Slyke "went back to the warning track, I said 'get out, get out.'"

"This means a lot to me. I haven't had the year I wanted to have, and we're closing in on the division and contributing means an awful lot."

Rookie Gregg Jefferies, who earlier in the day was named the NL player of the week, doubled twice and singled twice in four at-bats to raise his average to .461 since joining the Mets on Aug. 30.

The Mets had tied at 2 in the sixth, when Mookie Wilson led off with a single, took third on Jefferies' single and scored on Dave Magadan's single. It was Wilson's 564th run scored, a club record.

Dodgers 5, Atlanta 4: In Los Angeles, Mickey Hatcher drove in two runs with a single and a sacrifice fly against Atlanta, with his team scoring four times in the first as it reduced its magic number in the West to 15.

Expos 14, Cardinals 2: In Montreal, Nelson Santovenia drove in five runs and Rex Hudler three, helping end St. Louis' seven-game winning streak.

Lafleur: He's Comin' Back

NEW YORK Times Service
TROIS-RIVIERES, Quebec — Guy Lafleur has shown enough moments of brilliance in his first two days of a comeback attempt to become a serious candidate for a job with the New York Rangers of the National Hockey League.

Doubts about Lafleur's ability as a skater and shooter at age 37 — and after two years of retirement — were erased the first day of training camp here.

The former star of the Montreal Canadiens skated swiftly down the night side and scored the first goal in the first-inning scrimmage. It was a play that left scouts wondering whether his hockey talents could bloom anew in New York after 14 seasons in Montreal.

Lafleur, who had six consecutive 50-goal seasons with the Canadiens, was inducted into the Hall of Fame last week. Asked how realistic his comeback was, he replied: "It's not an impossible dream, that's why I'm here."

When Lafleur announced his retirement in November 1984, many said he left hockey too soon. Others now wonder why he waited so long to return. Said Lafleur: "Honestly, I was not ready... I don't think my mind was up for hockey the last two years that I played professionally."

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SCOREBOARD

BASEBALL

Monday's Major League Line Scores

Table with columns for American League and National League games, listing teams, scores, and key players.

Major League Standings

Table showing league standings for American League and National League, including teams, wins, losses, and percentages.

FOOTBALL

NFL Standings

Table showing NFL standings for American Conference and National Conference, including teams, wins, losses, and percentages.

College Top 20

Table showing the top 20 college football teams based on the AP poll.

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SIDELINES
SURGERY FOR STRAM
INDIANAPOLIS (AP) — Hank Stram, a broadcaster and former NFL coach, was in stable condition Tuesday after undergoing open heart surgery at an Indianapolis hospital, a spokesman said.

BLANCPAIN
SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.

GOLAY FILS & STAHL
Royal, former University of Texas football coach. "I see only one big difference in players today. They write more books." (LAT)

OBSERVER

Political Paradise

By Russell Baker
NEW YORK — Michael Dukakis is president.

The competence is intense. Car repairs are done right the first time. Plumbers who say they will be there tomorrow actually arrive tomorrow. Because of their overall superiority, Detroit automobiles become the biggest-selling item in Japan since raw fish. Faced with ruin, Japan has to sell huge chunks of the United States back to Americans at incredible discounts.

George Bush is president. Patriotism reaches record-breaking depths. President and Mrs. Bush appear daily at the start of all three networks' breakfast television shows to lead the nation in the Pledge of Allegiance.

After its repainting, the White House is officially renamed the Red, White and Blue House. Michael Dukakis is president. Common sense breaks out all over Latin America. In Panama, General Noriega suddenly realizes he has been behaving odiously, quits the dictatorship and enters a monastery.

Sandinista leaders consent to elections and upon being defeated by lovers of Madisonian democracy, quit government to devote themselves to improving the quality of Nicaraguan Little League baseball. George Bush is president. International communism reels. Latin American Reds, fearing that President Bush will give them the Grenada treatment if they get uppity, abandon politics to become stockbrokers, run fast-food franchises, and audition for acting jobs in tear commercials.

At the thought of going up against Bush, the Russians would like to quake and quail but confine themselves to quaking, for fear that Bush, mistaking quaking for body language designed to make fun of his vice president, may recite the Pledge of Allegiance in Red Square.

Michael Dukakis is president. Absolutely fascinating jobs break out all over the United States, paying \$52.65 per hour and up. Millions of people once doomed to spend their lives serving freshly thawed hamburgers for the minimum wage find top-dollar employment teaching CIA spies to tango, conducting autopsies on rare zoological specimens, measuring tem-

perature variations in the Caribbean islands and designing artificial volcanoes for theme parks.

George Bush is president. The United States is wallowing in jobs. The president's plan for creating 30 million new jobs is cut back only because the country lacks 30 million new people to take them.

Under the revised job-creation program, the number of new jobs is matched precisely to the number of new people coming on line. The United States is the first country in the universe where a new job is born simultaneously with every newborn citizen.

Michael Dukakis is president. The United States is waiting to learn his plan for dealing with the federal deficit.

He did not discuss it during the campaign. Some say he had no plan. Others say he had a secret plan, just like Richard Nixon's famous secret plan for ending the Vietnam War. After Nixon's election, the United States waited four years to see the secret plan, only to find it had been abandoned long before Nixon's term ended.

Now the United States waits to learn if President Dukakis has a plan for cutting the deficit. If so, it is a very secret plan. Only the president knows it, and some say even he refuses to let himself in on the secret for fear that if kidnapped by Iranian terrorists and subjected to torture, he might blurt out the monstrous word, "taxes."

George Bush is president. The problem of the federal deficit is being vigorously dealt with. People clever enough to know what a capital gain is and well heeled enough to get one are enjoying the Bush capital-gains tax reduction. People too dim or unmoneyed to enjoy this lovely tax cut are happy too, however, because President Bush has raised anybody's taxes, and he never will.

The big increase in the deficit that might result from his costly new child-care program, his commitment to "Star Wars" and his tax cut for the capital-gains set doesn't dare occur. That's because George Bush is president. If the deficit doesn't shape up, he will recite the Pledge of Allegiance at it. The deficit has read his lips.

New York Times Service

Richard Goodwin's America

By Jim Naughton
Washington Post Service

WASHINGTON — On the way to breakfast, Richard Goodwin mentions that his own writing habits are similar to those of his friend Norman Mailer. Before the coffee cups have been filled he mentions that Peter Brook once sent him a three-page single-spaced letter on the craft of play writing. The name of William Shawn, the former New Yorker editor, comes up just before Goodwin's bagel arrives. He loves Goodwin's play, but can't make any promises.

Goodwin had an eminently droppable name two decades ago when he was an aide and speech writer for John F. Kennedy, Lyndon B. Johnson, Eugene J. McCarthy and Robert F. Kennedy. But he doesn't miss the White House.

"I have no desire to go back into that building. I mean, I've done it. I did it. I know what it can do and what it can't do and I was able to move into writing." His White House experiences, he says, have "enabled me to focus much more on writing and literature and the ways I really feel I'm better suited for life."

And yet, in the 20 years that Goodwin, 56, has pursued this second career, he remains best known as an adviser and speech writer for the last generation of charismatic liberal leaders. "Remembering America," his recently released memoir of the '60s, is the first major piece of writing he has published since "The American Condition" sank with barely a ripple in 1974.

The new book promises to do better. The reviews have been marginally favorable. '60s nostalgia is in flower and Goodwin's contention that LBJ suffered from paranoia has roused Johnson loyalists to outpourings of newsworthy indignation. But there is something self-defeating in this enterprise. The book is likely to impede Goodwin's efforts to establish a literary reputation precisely as much as it revives his standing as a political celebrity.

It was Goodwin who, on just eight hours' notice, crafted the speech that Johnson delivered to a joint session of Congress in introducing the Voting Rights Act of 1965, a speech that civil rights opponent, Senator Richard B. Russell of Georgia, called the best he had heard a president give. But the war in Vietnam precipitated Goodwin's break with Johnson and sent him first to New Hampshire to work for McCarthy and later on what he calls "the last crusade" with Bobby Kennedy.

For Goodwin, America is still defined by the bitter experience of Vietnam. "The war led to the abandonment of the Great Society and created a sense of impotence in people," he says. He wrote this memoir to "at least remind people that we once thought we had the capacity to shape the society and improve it."



Goodwin: Democratic left is issueless.

The best material in the book is anecdotal: the story of how Goodwin helped break open the quiz-show scandals of the late '50s; the account of his controversial secret meeting with Che Guevara; the comic tableau of LBJ, the Great Society while skinny-dipping in the White House pool with Goodwin and top aide Bill D. Moyers.

But the book is handicapped by being at odds with its author's own sense of how life was convulsed in the '60s. "All those important movements for social change, they began under me," he says. Yet "Remembering America" conveys exactly the opposite impression. This is largely a book about powerful men talking with their advisers about how they should handle the forces set in motion by ordinary Americans.

What Goodwin says does not quite jibe with the impression he conveys in his book. "The mistakes that I had made or the things that I had been involved in," he says, "they really didn't matter much anymore. I didn't feel the need to get back at anybody."

Dean Rusk, McGeorge Bundy, each zealously savaged, might dispute that point. So might readers who bog down in the lengthy excerpts from speeches Goodwin wrote, as well as those disturbed by occasional references to his sexual conquests.

The most controversial section describes LBJ's descent into what the author suggests was mental illness. The material is not so new as the controversy surrounding it seems to suggest. Doris Kearns Goodwin includes a

description of Johnson's "delusional" behavior in her biography of Johnson and attributes it, in a footnote, to the man who is now her husband, Arthur Schlesinger Jr. In his biography of Robert F. Kennedy, also reports Goodwin's contention that Johnson was beyond reason regarding the war. But this is the first time anyone has attempted to make the case for clinical paranoia. While admitting that he is not qualified to make a psychiatric diagnosis, Goodwin writes: "There is no question in my mind that both the atmosphere of the White House and the decisions taken until 1965 were affected by the periodic disruptions of Lyndon Johnson's mind and spirit." Regarding the Vietnam war, Goodwin writes that Johnson had lost his capacity "to distinguish what was real from what he wished to believe."

Goodwin says he consulted a psychiatrist about the president's condition and that Moyers did, too. This revelation sparked several exchanges of public sniping. Johnson's friends and advisers said that Goodwin never understood the president or that he made this claim to sell books. George E. Reedy, a former Johnson press secretary, said that Johnson wasn't paranoid although he had parts of the mind that were not sane. Moyers said he would write about the events of those years himself someday.

"If they'd rather say he gave the orders that killed 50,000 Americans and [caused] 100,000 casualties and massacred millions of people in Southeast Asia coldly and rationally and sanely and they think he's better off that way, fine, let them say it," Goodwin responds.

"The war swept the Democrats out," he says. "There was an economic downturn with end of the postwar expansion. Meanwhile all this period of time the right wing is building up an ideological base, whether it is at the American Enterprise Institute, the Hoover Institution and all the rest. And they are establishing a foundation on which to run. And Reagan ran on it and they are the only people who have such a foundation. The former Democratic left is issueless. And it's mindless too."

And no longer as glamorous as Camelot. Goodwin attended Brookline High School at roughly the same time as a young man named Michael S. Dukakis. "He was like he is now, a nice, competent, decent fellow," Goodwin says. This is praise so faint as to be barely audible.

Goodwin's wife Doris followed her biography of Johnson with a well-received family history, "The Kennedys and the Fitzgeralds," a book which is now in the process of becoming a television mini-series. The Goodwins' 12-year-old son Michael makes his acting debut. "He plays Joe Jr. and beats up Jack," the proud father says. "So any kind of secret fantasies I might have had can be taken out through my son."

PEOPLE

Jarre Still Undaunted

Jean-Michel Jarre, the French composer, is seeking a new London location for his fireworks, music and laser show. A Sept. 24 performance in the docklands was banned by authorities who were concerned about traffic jams and the impact on ambulance and fire services. An estimated 90,000 tickets have been sold. "I'm definitely committed more than ever to do a show in this country," he said in an interview with the British Broadcasting Corp. Accompanied by his wife, Charlotte Rasmussen, he urged patrons to keep their tickets.



Jean-Michel Jarre

CBS and ABC are each hoping to get their two-hour movies about Liberman on the air first this fall. ABC's movie, "Liberman," starring Andrew Robinson as the performer and Rue McClanahan as his mother, has already completed filming and is now being hurriedly edited in order to be on the air Oct. 2. CBS' movie, also tentatively titled "Liberman," with Victor Garber as Liberman and Maureen Stapleton as his mother, is still in production in Montreal and has no broadcast date yet. "Liberman was show business incarnate," said Bill Wells, the director of motion pictures for television at CBS. "People either loved him or hated him. I think that strong polarization of opinion makes for strong ratings."

Dame Gwyneth Jones outgunning everyone in the title role of Giacomo Puccini's "Turandot" to open the season and a new era at the Royal Opera House, Covent Garden. Jeremy Isaacs, the new general director, presented the Welsh soprano with the house's silver medal to mark her debut there 25 years ago. "You never once have not given us your best," said Isaacs, who took over from Sir John Tooley on Sept. 1.

Ringo Starr has won a court order to halt the auction of a 1965 bass drum bearing the Beatles' logo. The drum had been expected to attract £30,000 (\$50,000) in a rock 'n' roll memorabilia sale at Sotheby's. The catalog said the drum had been given to George Peckham, who worked in the group's Apple Recording studios.

Hugh Hefner, the founder of Playboy magazine, is retiring in November and is giving his daughter, Christie, full command of the business empire he built. Hefner, 62, is working on his autobiography, for which Playboy Enterprises, Inc., said it will receive a substantial seven-figure advance from Bantam Books Inc. Hefner will become chairman emeritus and editor-in-chief of Playboy magazine. He also will remain the major stockholder.

It's been 43 years since Hard Hatfield made the haunting movie, "The Picture of Dorian Gray" from the Oscar Wilde novel, in which the evil and aging of the central character never appears on his face, but only on a cursed painting he keeps in a locked room. Hefner, who is now filming "Her Alibi" in Baltimore, was in the American Film Institute in Washington for an annual rights benefit. The 70-year-old actor surprised the audience after a screaming of the film classic by rolling onto the stage in a wheelchair. Then he leaped from the chair, saying, "People usually think I'm dead anyway so I thought I'd give you a little surprise."

Barry Sadler, 46, who composed the "Ballad of the Green Berets," was listed in critical condition at a Nashville, Tennessee veterans' hospital after being shot in the head during an apparent robbery attempt in Guatemala City, Guatemala. Sadler was flown to the hospital so he could get proper medical care, a spokesman said.

TODAY'S INTERNATIONAL BUSINESS MESSAGE CENTER
Appears on page 6

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